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UNITED STATES  
DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION  
OPEN ACCESS TRANSMISSION TARIFF

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## WESTERN AREA POWER ADMINISTRATION

### OPEN ACCESS TRANSMISSION TARIFF

#### COMMON SERVICE PROVISIONS

##### 1 Definitions

- 1.1 Affiliate: With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.
- 1.2 Ancillary Services: Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.3 Annual Transmission Costs: The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission, pursuant to Federal law.
- 1.4 Application: A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.5 Clustering: The process whereby two or more Long-Term Firm Point-to-Point Transmission Service requests are studied together, instead of serially, for the purpose of conducting the System Impact Study in accordance with Section 19 of this Tariff.
- 1.6 Commission: The Federal Energy Regulatory Commission.
- 1.7 Completed Application: An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit and application processing fee.
- 1.8 Control Area: An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
  - (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
  - (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
  - (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.
- 1.9 Curtailment: A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.
- 1.10 Delivering Party: The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.
- 1.11 Designated Agent: Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.
- 1.12 Direct Assignment Facilities: Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer.
- 1.13 Eligible Customer: (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider. (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.
- 1.14 Facilities Study: An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

- 1.15 Firm Point-To-Point Transmission Service: Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.
- 1.16 Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 1.17 Interruption: A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.
- 1.18 Load Ratio Share: Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.
- 1.19 Load Shedding: The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.
- 1.20 Long-Term Firm Point-To-Point Transmission Service: Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.
- 1.21 Native Load Customers: The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.
- 1.22 Network Customer: An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.
- 1.23 Network Integration Transmission Service: The transmission service provided under Part III of the Tariff.
- 1.24 Network Load: The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network

Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

- 1.25 Network Operating Agreement: An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.
- 1.26 Network Operating Committee: A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.
- 1.27 Network Resource: Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.
- 1.28 Network Upgrades: Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.
- 1.29 New Rate: Means the modification of a Rate for transmission or ancillary services provided by the Transmission Provider which has been promulgated pursuant to the rate development process outlined in Power And Transmission Rates, 10 C.F.R. Part 903 (2006).
- 1.30 Non-Firm Point-To-Point Transmission Service: Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of the Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month. The Transmission provider may offer Non-Firm Point-To-Point

Transmission Service for periods longer than one month. If offered, the terms and conditions will be consistent with Part II of the Tariff and will be posted on the Transmission Provider's OASIS.

- 1.31 Non-Firm Sale: An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.
- 1.32 Open Access Same-Time Information System (OASIS): The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.33 Part I: Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.34 Part II: Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.35 Part III: Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.36 Parties: The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.37 Point(s) of Delivery: Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service.
- 1.38 Point(s) of Receipt: Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service.
- 1.39 Point-To-Point Transmission Service: The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.
- 1.40 Power Purchaser: The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

- 1.41 Pre-Confirmed Application: An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.
- 1.42 Rate: Means the monetary charge or the formula for computing such a charge for any electric service provided a the Transmission Provider as defined in 10 C.F.R. § 903.2(k)(1) (2006).
- 1.43 Rate Adjustment: Means a change in an existing rate or rates, or the establishment of a rate or rates for a new service. It does not include a change in rate schedule provisions or in contract terms, other than changes in the price per unit of service, nor does it include changes in the monetary charge pursuant to a formula stated in a rate schedule or a contract as defined in 10 C.F.R. § 903.2(k)(m) (2006).
- 1.44 Rate Formula Adjustment: Means a change in an existing rate formula, or the establishment of a rate formula for a new service. It does not include updates to the monetary charge pursuant to a formula stated in a rate schedule or a contract.
- 1.45 Reasonable Efforts: With respect to an action required to be attempted or taken by a Party under this Tariff, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.
- 1.46 Receiving Party: The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.
- 1.47 Regional Transmission Group (RTG): A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.
- 1.48 Reserved Capacity: The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.49 Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.50 Service Commencement Date: The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the

date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

- 1.51 Short-Term Firm Point-To-Point Transmission Service: Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.
- 1.52 System Condition: A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.
- 1.53 System Impact Study: An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.54 Tariff: The Open Access Transmission Tariff or 'OATT', including all schedules or attachments thereto, of the Transmission Provider as amended from time to time and approved by the Commission.
- 1.55 Third-Party Sale: Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
- 1.56 Transmission Customer: Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider provide transmission service without a Service Agreement, pursuant to section 15.3 of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.57 Transmission Provider: The Regional Office, as defined in Attachment K of this Tariff, of the Western Area Power Administration (Western or WAPA) which owns, controls, or operates the facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.
- 1.58 Transmission Provider's Monthly Transmission System Peak: The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.



- 1.59 Transmission Service: Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.60 Transmission System: The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

## 2 Initial Allocation and Renewal Procedures

- 2.1 Initial Allocation of Available Transfer Capability: For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.
- 2.2 Reservation Priority For Existing Firm Service Customers: Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current rate for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to March 2, 2011, or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after March 2, 2011; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of March 2, 2011.



### 3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area, is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area Operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. However, when sufficient Federal generation is not available to provide the required Ancillary Services, the Transmission Provider will offer to make every effort to purchase Ancillary Services from others, as available. The costs of such purchases on behalf of a Transmission Customer will be passed directly through to that Transmission Customer. At the request of the Transmission Provider, the costs associated with the purchase of Ancillary Services from others may be collected from the Transmission Customer in advance of the provision of service. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a utility providing transmission service, but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6, and 9) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods for each are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

- 3.1 Scheduling, System Control and Dispatch Service: The rates and/or methodology are described in Schedule 1.
- 3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service: The rates and/or methodology are described in Schedule 2.
- 3.3 Regulation and Frequency Response Service: Where applicable the rates and/or methodology are described in Schedule 3.
- 3.4 Energy Imbalance Service: Where applicable the rates and/or methodology are described in Schedule 4.
- 3.5 Operating Reserve - Spinning Reserve Service: Where applicable the rates and/or methodology are described in Schedule 5.
- 3.6 Operating Reserve - Supplemental Reserve Service: Where applicable the rates and/or methodology are described in Schedule 6.
- 3.7 Generator Imbalance Service: Where applicable the rates and/or methodology are described in Schedule 9.

#### 4 Open Access Same-Time Information System (OASIS)

- 4.1 Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.
- 4.2 The North American Energy Standards Board Wholesale Electric Quadrant standards listed in Attachment N to this Tariff are incorporated herein.
- 4.3 The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this Tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

#### 5 Local Furnishing Bonds

- 5.1 **Transmission Providers That Own Facilities Financed by Local Furnishing Bonds:** This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.
- 5.2 **Alternative Procedures for Requesting Transmission Service:**

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.
- (ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

## 6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities, also agrees to provide comparable transmission service to the transmission-owning members of such power pool, Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must

include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

## 7 Billing and Payment

- 7.1 Billing Procedures: Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for charges for services under the Tariff. The charges shall be for all services furnished during the preceding month except for those Transmission Customers required to make advance payment pursuant to a rate schedule adopted in a public process. Invoices for Transmission Customers required to make advance payment shall be issued in accordance with the applicable rate schedule and will show the credits for any advance payments deposited and received by the Transmission Provider for the service month being billed. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.
- 7.2 Unpaid Balances:
- (a) Bills not paid in full by the Contractor by the due date specified in Section 7.1 shall bear an interest charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider. Payments received will be first applied to the charges for late payment assessed on the principal and then to payment of the principal.
  - (b) In the event the Transmission Customer fails to make payment to the Transmission Provider on or before the due date as described above, twice within any twelve consecutive months, the Transmission Provider may determine that the Transmission Customer presents a risk of future timely payments. If such determination is made, Transmission Provider will give written notice to the Transmission Customer that it must provide a form of collateral as identified in Attachment Q to this Tariff. Any dispute between the Transmission Customer and the Transmission Provider regarding elimination of additional collateral under this provision shall be covered under Section 12.
- 7.3 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure,

a default by the Transmission Customer shall be deemed to exist. Within the same 30 calendar days after notice of failure to make payment, the Transmission Customer shall have the right of appeal to the Administrator of Western. The Transmission Provider shall submit its recommendation to the Administrator for review and approval, but shall not terminate service until the Administrator makes a determination on the Transmission Customer's appeal. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

## 8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

- 8.1 Transmission Revenues: Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.
- 8.2 Study Costs and Revenues: Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

## 9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make changes in terms and conditions, classification of service, or Service Agreement, consistent with the Commission's rules and regulations and Transmission Providers statutory obligations.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.



## 10 Force Majeure and Indemnification

- 10.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all Reasonable Efforts to perform its obligations under this Tariff.
- 10.2 Indemnification: The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider. The liability of the Transmission Provider shall be determined in accordance with the Federal Tort Claims Act provision set forth in Attachment J of this Tariff.

## 11 Creditworthiness

The Transmission Provider will specify its creditworthiness procedures in Attachment Q.

## 12 Dispute Resolution Procedures

- 12.1 Internal Dispute Resolution Procedures: Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be resolved in accordance with the procedures set forth below.
- 12.2 External Dispute Resolution Procedures: Any complaint arising concerning implementation of this Tariff shall be resolved as follows:

- (a) through a dispute resolution process, pursuant to the terms of a Regional Transmission Group or applicable reliability council governing agreement of which both Parties are members; or
  - (b) if both Parties are not members of the same Regional Transmission Group or applicable reliability council, through a dispute resolution process agreed to by the Parties, or through a transmission complaint filed with the Commission to the extent the Commission has jurisdiction over such dispute.
- 12.3 Rights Under The Federal Power Act: Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

## POINT-TO-POINT TRANSMISSION SERVICE

### Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

## 13 Nature of Firm Point-To-Point Transmission Service

- 13.1 Term: The minimum term of Firm Point-To-Point Transmission Service shall be determined by the Transmission Provider as either one hour or one day and the maximum term shall be specified in the Service Agreement. Where applicable, the Transmission Provider shall post on its OASIS the rates, terms and conditions pertaining to its provision of hourly Firm Point-To-Point Transmission Service.
- 13.2 Reservation Priority:
- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer reserved service.
  - (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.



- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines; one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.
- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.
- (v) For any requests for Short-Term Firm Point-to-Point Transmission Service for which the Transmission Provider's business practices establish an earliest time such requests are permitted to be submitted, any requests for such service submitted within a five (5) minute window following such earliest time shall be deemed to have been submitted simultaneously during such window. If sufficient transmission capacity is not available to meet all such requests submitted within any such five (5) minute window, the otherwise applicable priorities shall apply to allocation of transmission capacity to such requests; provided that, if the otherwise applicable priorities would be to allocate transmission capacity to transmission requests on a first-come, first-served basis (i.e., in the chronological sequence in which each Transmission Customer has requested service), transmission capacity shall instead be allocated to such transmission requests pursuant to a lottery that will select the order that such requests will be processed in a non-discriminatory and non-preferential

manner. The Transmission Provider shall post on its OASIS the allocation methodology and associated business practices.

- 13.3 Use of Firm Transmission Service by the Transmission Provider: The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after March 7, 1998. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.
- 13.4 Service Agreements: The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-to-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-to-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.
- 13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs: In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider in advance for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it

shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement or a separate agreement, as appropriate, prior to initiating service.

13.6 Curtailment of Firm Transmission Service: In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of

transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify in accordance with Schedule 10 of this Tariff the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer, (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

- 13.8 Scheduling of Firm Point-To-Point Transmission Service: Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be

permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

#### 14 Nature of Non-Firm Point-To-Point Transmission Service

- 14.1 Term: Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.
- 14.2 Reservation Priority: Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission

Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

- 14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider: The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after March 7, 1998. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.
- 14.4 Service Agreements: The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.
- 14.5 Classification of Non-Firm Point-To-Point Transmission Service: Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify in accordance with Schedule 10 of this Tariff the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application under Schedule 8.
- 14.6 Scheduling of Non-Firm Point-To-Point Transmission Service: Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes



will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

- 14.7 Curtailment or Interruption of Service: The Transmission Provider reserves the right to curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be curtailed or interrupted before daily non-firm transactions and daily non-firm transactions will be curtailed or interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

## 15 Service Availability

- 15.1 General Conditions: The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.
- 15.2 Determination of Available Transfer Capability: A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.
- 15.3 Initiating Service in the Absence of an Executed Service Agreement: If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at the existing rate placed in effect pursuant to applicable Federal law and regulations, and (ii) comply with the terms and conditions of the Tariff including paying the appropriate security deposit and processing fees in accordance with the terms of Section 17.3. If the Transmission Customer cannot accept all of the terms and conditions of the offered Service Agreement, the Transmission Customer may request resolution of the unacceptable terms and conditions under Section 12, Dispute Resolution Procedures, of the Tariff. Any changes resulting from the Dispute Resolution Procedures will be effective upon the date of initial service.
- 15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:
  - (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment P, provided the Transmission Customer agrees to compensate the Transmission Provider in advance for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment P, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the



Transmission Provider has the right to expand or modify, and is contingent upon the availability to Transmission Provider of sufficient appropriations and/or authority, when needed, and the Transmission Customer's advanced funds.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
  - (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the Curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed System Conditions.
- 15.5 Deferral of Service: The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.
- 15.6 Other Transmission Service Schedules: Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.
- 15.7 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power

Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are specified in the Service Agreements or on the Transmission Provider's OASIS.

## 16 Transmission Customer Responsibilities

- 16.1 Conditions Required of Transmission Customers: Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:
- (a) The Transmission Customer has pending a Completed Application for service;
  - (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
  - (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
  - (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;
  - (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment P;
  - (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3;
  - (g) The Transmission Customer must comply with the Western Energy Imbalance Service Market (WEIS Market) provisions in Attachment R, as applicable, when the Transmission Provider participates in the WEIS Market as described in Attachment R; and
  - (h) The Transmission Customer must comply with the California Independent System Operator's Western Energy Imbalance Market (EIM) provisions in Attachments S or T, as applicable, when the Transmission Provider participates in the EIM as described in Attachments S or T.
- 16.2 Transmission Customer Responsibility for Third-Party Arrangements: Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission

Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake Reasonable Efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

## 17 Procedures for Arranging Firm Point-To-Point Transmission Service

- 17.1 Application: A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to the appropriate Regional Office, as identified in Attachment K to the Tariff, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.
- 17.2 Completed Application: A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:
- (i) The identity, tax identification number, address, telephone number and facsimile number of the entity requesting service;
  - (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
  - (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
  - (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by the Tariff, by Federal law, by regulatory or judicial order, for reliability

purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and
- (x) Any additional information required by the Transmission Provider's planning process established in Attachment P.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- 17.3 Deposit and Processing Fee: For firm Transmission Service requests of one year or longer, a Completed Application for Firm Point-To-Point Transmission Service shall include: (1) a non-refundable processing fee of \$3,500; and (2) a deposit of either one month's charge for Reserved Capacity (not to exceed \$100,000) submitted to the Transmission Provider, or the same amount deposited into an escrow fund setup by the Eligible Customer. The application processing fee does not apply to costs to complete System Impact Studies or Facility Studies or to add new facilities. The specific requirements for the escrow fund will be posted on the Transmission Provider's OASIS. The Eligible Customer shall select one of the two options to satisfy the deposit requirement; provided, that the Transmission Customer will not be required to submit a deposit in the case of either a request for transmission service resulting only in modification to an existing Service Agreement, or a rollover of equivalent transmission service provided under either an existing Service Agreement or other existing bundled or standalone agreement executed prior to December 31, 1997. If the Application is rejected by the Transmission

Provider because it does not meet the conditions for service as set forth herein, the Transmission Provider shall release the escrow fund or return the deposit, without interest. The Transmission Provider shall also release the escrow fund or return the deposit, without interest, if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the Transmission Provider shall release the escrow fund or return the deposit, without interest. Advanced payments associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the Transmission Provider shall release the escrow fund following receipt of the Transmission Customer's payment for the first month of service, or the deposit, without interest, will be fully credited against the Transmission Customer's monthly transmission service bill(s) upon commencement of service.

- 17.4 Notice of Deficient Application: If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application and release the escrow fund or return the deposit, without interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.
- 17.5 Response to a Completed Application: Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.
- 17.6 Execution of a Service Agreement: Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute

and return the Service Agreement or request service without an executed Service Agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and pursuant to section 17.3, and release the escrow fund or return the deposit, without interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

- 17.7 Extensions for Commencement of Service: The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

## 18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

- 18.1 Application: Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.
- 18.2 Completed Application: A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:
- (i) The identity, tax identification number, address, telephone number and facsimile number of the entity requesting service;



- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service;
- (vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by Federal law, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- (viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

- 18.3 Reservation of Non-Firm Point-To-Point Transmission Service: Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable [or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider].

- 18.4 Determination of Available Transfer Capability: Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service. [Or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider].

## 19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

- 19.1 Notice of Need for System Impact Study: After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to advance funds to the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and pursuant to section 17.3, the Transmission Provider shall release the escrow fund or return the deposit, without interest.
- 19.2 Clustering of System Impact Studies: Clustering is intended to facilitate the Transmission Provider's performance of System Impact Studies for multiple Long-Term Firm Point-to-Point Transmission Service requests. At the written request of an Eligible Customer and with the written concurrence of all other Eligible Customers proposed to be included in the System Impact Study cluster, two or more Long-Term Firm Point-to-Point Transmission Service requests may be studied in a cluster for the purpose of the System Impact Study. If the Transmission Provider determines at its own discretion that it cannot reasonably accommodate a request for Clustering, including but not limited to instances where a request for Clustering may impair the administration or timely processing of the Transmission Provider's



Transmission Service queue, the Transmission Provider may reject a request of an Eligible Customer to implement Clustering of System Impact Studies.

If the Transmission Provider determines based on an Eligible Customer's written request and with the written concurrence of other Eligible Customers within the proposed cluster to study Long-Term Firm Point-to-Point Transmission Service requests using Clustering, all Transmission Service requests within the cluster shall be studied together. Once such a cluster is established, no Eligible Customer shall be allowed to opt out of the cluster unless the Eligible Customer withdraws its Transmission Service request. If an Eligible Customer fails to make payment to the Transmission Provider as specified in the System Impact Study Agreement, such Eligible Customer will be deemed withdrawn from the cluster and its Transmission Service request shall also be deemed withdrawn. The deadline and procedures for completing all System Impact Studies for which a System Impact Study Agreement has been executed for a cluster shall be in accordance with Section 19 of this Tariff for all Transmission Service requests assigned to the same cluster. The initiation date of the System Impact Study for the cluster will take into consideration the time required to coordinate the completion of a System Impact Study Agreement among the cluster participants and the Transmission Provider, and such coordination may cause tender of the System Impact Study Agreement to extend beyond the time frame stated in Section 19.1.

The Transmission Provider will assign the cost of producing the clustered System Impact Study, including any third-party study work required by the Transmission Provider and any cost for restudy necessitated by a customer opting out of or being deemed withdrawn from the cluster, to each customer remaining in the cluster at the time of the cost allocation based on the ratio of the transmission capacity reservation of each such customer to the total transmission capacity reservation of all such customers.

19.3 System Impact Study Agreement and Compensation:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge will not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient

for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

- 19.4 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use Reasonable Efforts to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same Reasonable Efforts in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request service without an executed Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.
- 19.5 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible

Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to advance funds to the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use Reasonable Efforts to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall pay the Transmission Provider in advance Transmission Customer's share of the costs of new facilities or upgrades. The Transmission Customer shall have thirty (30) days to execute a construction agreement and a Service Agreement and provide the advance payment or request service without an executed Service Agreement pursuant to Section 15.3 and pay the Transmission Customer's share of the costs or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn and pursuant to section 17.3, the Transmission Provider shall release the escrow fund or return the deposit, without interest. Any advance payment made by the Transmission Customer that is in excess of the costs incurred by the Transmission Provider shall be refunded.

- 19.6 Facilities Study Modifications: Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.
- 19.7 Due Diligence in Completing New Facilities: The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested

Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

- 19.8 Partial Interim Service: If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.
- 19.9 Expedited Procedures for New Facilities: In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider in advance for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider in advance for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.
- 19.10 Study Metrics: Sections 19.4 and 19.5 require a Transmission Provider to use Reasonable Efforts to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

For the purpose of calculating the percent of non-Affiliates' System Impact Studies processed outside of the 60 day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completed for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies.

19.11 Notice of Need for Environmental Review: If the Transmission Provider determines that environmental review is required in response to a request for service the Transmission Provider shall use Reasonable Efforts to tender an environmental review agreement within 15 Calendar Days of providing a System Impact Study report to Eligible Customer. Pursuant to such agreement or agreements, the Eligible Customer shall make advance payment of funds to the Transmission Provider for performing the environmental review, including review under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, et seq., as amended. The agreement(s) shall also set forth Eligible Customer's responsibilities in connection with such environmental review. The Eligible Customer shall execute and return each environmental review agreement, along with the required study funds due upon execution as set forth in the agreement, to the Transmission Provider within 30 calendar days of receipt of the final version offered for execution. If an executed environmental review agreement(s) and the required funds are not provided in the manner set forth above, the application shall be deemed withdrawn and, pursuant to Section 17.3, its deposit shall be returned, without interest, or the release of its escrow funds authorized. In addition, if at any time prior to the issuance of Transmission Providers final NEPA decisional document the Eligible Customer fails to comply with the terms of the environmental review agreement, Transmission Provider reserves the right to deem the request for service withdrawn.

## 20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities: If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions: When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach

solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

- 20.3 Refund Obligation for Unfinished Facility Additions: If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and pursuant to section 17.3, the Transmission Provider shall release the escrow fund or return the deposit, without interest, and any advance payment made by the Transmission Customer that is in excess of the costs incurred by the Transmission Provider through the time construction was suspended shall be returned. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

## 21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

- 21.1 Responsibility for Third-Party System Additions: The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake Reasonable Efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.
- 21.2 Coordination of Third-Party System Additions: In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by



the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

## 22 Changes in Service Specifications

- 22.1 Modifications On a Non-Firm Basis: The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement (“Secondary Receipt and Delivery Points”), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.
- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
  - (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
  - (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
  - (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.
- 22.2 Modifications On a Firm Basis: Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof except that such Transmission Customer shall not be obligated to pay any additional deposit and application processing fee if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

## 23 Sale or Assignment of Transmission Service



23.1 Procedures for Assignment or Transfer of Service:

- (a) Subject to the Transmission Provider's prior approval, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.
- (b) The Assignee must execute a Service Agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of the Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service: If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider in advance for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service: In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Point(s)

- 24.1 Transmission Customer Obligations: Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.
- 24.2 Transmission Provider Access to Metering Data: The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.
- 24.3 Power Factor: Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

## 25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

## 26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer in a manner consistent with applicable Federal law and regulations.

## 27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

## NETWORK INTEGRATION TRANSMISSION SERVICE

### Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement.

Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

## 28 Nature of Network Integration Transmission Service

- 28.1 Scope of Service: Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3. The Network Customer must comply with the WEIS Market provisions in Attachment R, as applicable, when the Transmission Provider participates in the WEIS Market as described in Attachment R. The Network Customer must comply with the EIM provisions in Attachments S or T, as applicable, when the Transmission Provider participates in the EIM as described in Attachments S or T.
- 28.2 Transmission Provider Responsibilities: The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment P in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of the Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment P, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers. This obligation to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load is contingent upon the availability to Transmission Provider of sufficient appropriations and/or authority, when needed, and the Transmission Customer's advanced funds.

- 28.3 Network Integration Transmission Service: The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.
- 28.4 Secondary Service: The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.
- 28.5 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are specified in the Service Agreements or on the Transmission Provider's OASIS.
- 28.6 Restrictions on Use of Service: The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify in accordance with Schedule 10 of this Tariff any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

## 29 Initiating Service

- 29.1 Condition Precedent for Receiving Service: Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider provide service without an executed Service Agreement, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G or requests in writing that the Transmission Provider provide service without an executed Network Operating Agreement. If the Transmission Provider and the Network Customer cannot agree on all the terms and conditions of the Network Service Agreement, the Transmission Provider shall commence providing Network Integration Transmission Service subject to the Network Customer agreeing to (i) compensate the Transmission Provider at the existing rate placed in effect pursuant to applicable Federal law and regulations, and (ii) comply with the terms and conditions of the Tariff including paying the appropriate processing fees in accordance with the terms of Section 29.2. If the Network Customer cannot accept all of the terms and conditions of the offered Service Agreement, the Network Customer may request resolution of the unacceptable terms and conditions under Section 12, Dispute Resolution Procedures, of the Tariff. Any changes resulting from the Dispute Resolution Procedures will be effective upon the date of initial service.
- 29.2 Application Procedures: An Eligible Customer requesting service under Part III of the Tariff must submit an Application to the Transmission Provider as far as possible in advance of the month in which service is to commence. For transmission service requests of one year or longer, the Completed Application shall include: (1) a non-refundable application processing fee of \$3,500; and (2) a deposit approximating the charge for one month of service (not to exceed \$100,000) submitted to the Transmission Provider, or the same amount deposited into an escrow fund setup by the Eligible Customer. The application processing fee does not apply to costs to complete System Impact Studies or Facility Studies or to add new facilities. The specific requirements for the escrow fund will be posted on the Transmission Provider's OASIS. The Eligible Customer shall select one of the two options to satisfy the deposit requirement; provided, that the Transmission Customer will not be required to submit a deposit in the case of either a request for transmission service resulting only in modification to an existing Service Agreement, or a rollover of equivalent transmission service provided under either an existing Service Agreement or other existing bundled or standalone agreement executed prior to December 31, 1997. If an Application is withdrawn or the Eligible Customer

decides not to enter into a Service Agreement for Network Integration Transmission Service, the Transmission Provider shall release the escrow fund or return the deposit, without interest. If a Service Agreement for Network Integration Transmission Service is executed, the Transmission Provider shall release the escrow fund following receipt of the Transmission Customer's payment for the first month of service, or the deposit, without interest, will be fully credited against the Transmission Customer's monthly transmission service bill(s) upon commencement of service. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, tax identification number, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any), included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:



- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging), of all generators
- Operating restrictions
- Any periods of restricted operations throughout the year
- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate, if required based on the Transmission Provider's posting on OASIS
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades



- Transmission System maps that include any proposed expansions or upgrades
  - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year.
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and
- (ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment P.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- 29.3 Technical Arrangements to be Completed Prior to Commencement of Service: Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall

exercise Reasonable Efforts, in coordination with the Network Customer to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

- 29.4 Network Customer Facilities: The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.
- 29.5 This section is intentionally left blank.

### 30 Network Resources

- 30.1 Designation of Network Resources: Network Resources shall include all generation owned, purchased, or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.
- 30.2 Designation of New Network Resources: The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this

statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

- 30.3 Termination of Network Resources: The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:
- (i) Effective date and time of temporary termination;
  - (ii) Effective date and time of redesignation, following period of temporary termination;
  - (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
  - (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
  - (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

- 30.4 Operation of Network Resources: The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing

program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

- 30.5 Network Customer Redispatch Obligation: As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.
- 30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider: The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake Reasonable Efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.
- 30.7 Limitation on Designation of Network Resources: The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.
- 30.8 Use of Interface Capacity by the Network Customer: There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads.

However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

- 30.9 Network Customer Owned Transmission Facilities: The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities added by the Network Customer subsequent to May 14, 2007 (i.e., the effective date of the Commission's Order No. 890), the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

### 31 Designation of Network Load

- 31.1 Network Load: The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.
- 31.2 New Network Loads Connected With the Transmission Provider: The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.
- 31.3 Network Load Not Physically Interconnected with the Transmission Provider: This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to

obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

- 31.4 New Interconnection Points: To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.
- 31.5 Changes in Service Requests: Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner. The Transmission Provider will have no obligation to refund any advance of funds expended for purposes of providing facilities for a Network Customer. However, upon receipt of a Network Customer's written notice of such a cancellation or delay, the Transmission Provider will use the same Reasonable Efforts to mitigate the costs and charges owed to the Transmission Provider as it would to reduce its own costs and charges.
- 31.6 Annual Load and Resource Information Updates: The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under Section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment P. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.



## 32 Additional Study Procedures For Network Integration Transmission Service Requests

- 32.1 Notice of Need for System Impact Study: After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to advance funds to the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and pursuant to Section 29.2, the Transmission Provider shall release the escrow fund or return the deposit, without interest.
- 32.2 System Impact Study Agreement and Compensation:
- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
  - (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
  - (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.
- 32.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use Reasonable Efforts to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified



with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same Reasonable Efforts in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request service without an executed Service Agreement pursuant to Section 29.1, or the Application shall be deemed terminated and withdrawn.

- 32.4 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to advance funds to the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use Reasonable Efforts to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall

notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall advance funds to the Transmission Provider for the construction of new facilities and such advance and construction shall be provided for in a separate agreement. If the construction of new facilities requires the expenditure of Transmission Provider funds, such construction shall be contingent upon the availability of appropriated funds. The Eligible Customer shall have thirty (30) days to execute a construction agreement and a Service Agreement and provide the advance payment or request service without an executed Service Agreement pursuant to Section 29.1 and pay the Transmission Customer's share of the costs or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn and pursuant to section 29.2, the Transmission Provider shall release the escrow fund or return the deposit, without interest. Any advance payment made by the Transmission Customer that is in excess of the costs incurred by the Transmission Provider shall be refunded.

- 32.5 Study Metrics: Section 19.10 defines the methodology used to calculate the percentage of non-affiliates' System Impact Studies and Facilities Studies processed outside the 60-day study completion deadlines using Reasonable Efforts under Part II of the Tariff. The same calculation applies to service under Part III of the Tariff.
- 32.6 Notice of Need for Environmental Review: If the Transmission Provider determines that environmental review is required in response to a request for service the Transmission Provider shall use Reasonable Efforts to tender an environmental review agreement within 15 Calendar Days of providing a System Impact Study report to Eligible Customer. Pursuant to such agreement or agreements, the Eligible Customer shall make advance payment of funds to the Transmission Provider for performing the environmental review, including review under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, et seq., as amended. The agreement(s) shall also set forth Eligible Customer's responsibilities in connection with such environmental review. The Eligible Customer shall execute and return each environmental review agreement, along with the required study funds due upon execution as set forth in the agreement, to the Transmission Provider within 30 calendar days of receipt of the final version offered for execution. If an executed environmental review agreement(s) and the required funds are not provided in the manner set forth above, the application shall be deemed withdrawn and, pursuant to Section 17.3, its deposit shall be returned, without interest, or the release of its

escrow funds authorized. In addition, if at any time prior to the issuance of Transmission Providers final NEPA decisional document the Eligible Customer fails to comply with the terms of the environmental review agreement, Transmission Provider reserves the right to deem the request for service withdrawn.

### 33 Load Shedding and Curtailments

- 33.1 Procedures: Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.
- 33.2 Transmission Constraints: During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.
- 33.3 Cost Responsibility for Relieving Transmission Constraints: Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.
- 33.4 Curtailments of Scheduled Deliveries: If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to curtail scheduled deliveries, the Parties shall curtail such schedules in accordance with the Network Operating Agreement.

- 33.5 Allocation of Curtailments: The Transmission Provider shall, on a non-discriminatory basis, curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to curtail schedules to an extent greater than the Transmission Provider would curtail the Transmission Provider's schedules under similar circumstances.
- 33.6 Load Shedding: To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.
- 33.7 System Reliability: Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

#### 34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Federal policy, along with the following:

- 34.1 Monthly Demand Charge: The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Schedule H.
- 34.2 Determination of Network Customer's Monthly Network Load: The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.
- 34.3 Determination of Transmission Provider's Monthly Transmission System Load: The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Long-Term Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Long-Term Firm Point-To-Point Transmission Service customers.
- 34.4 Redispatch Charge: The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.
- 34.5 Stranded Cost Recovery: The Transmission Provider may seek to recover stranded costs from the Network Customer in a manner consistent with applicable Federal law and regulations.

## 35 Operating Arrangements

- 35.1 Operation under The Network Operating Agreement: The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.
- 35.2 Network Operating Agreement: The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational

characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1 and the applicable regional reliability organization (RRO), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO and the applicable RRO. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

- 35.3 Network Operating Committee: A Network Operating Committee (Committee) may be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee may meet from time to time as need requires.



## **SCHEDULE 1**

### **Scheduling, System Control and Dispatch Service**

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is provided directly by the Transmission Provider if the Transmission Provider is the Control Area Operator or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates referred to below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific charges for Scheduling, System Control and Dispatch Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Scheduling, System Control and Dispatch Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Scheduling, System Control and Dispatch Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.



## **SCHEDULE 2**

### **Reactive Supply and Voltage Control from Generation or Other Sources Service**

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the Control Area operator are operated to produce or absorb reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service can be provided directly by the Transmission Provider if the Transmission Provider is the Control Area operator or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based upon the rates referred to below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area Operator.

The Transmission System specific charges for Reactive Supply and Voltage Control from Generation or Other Sources Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Reactive Supply and Voltage Control from Generation or Other Sources Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Reactive Supply and Voltage Control from Generation or Other Sources Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 3**

### **Regulation and Frequency Response Service**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources, generation and interchange, with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered, predominantly through the use of automatic generating control equipment, and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. The charges for Regulation and Frequency Response Service are referred to below. The amount of Regulation and Frequency Response Service will be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific charges for Regulation and Frequency Response Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Regulation and Frequency Response Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Regulation and Frequency Response Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 4**

### **Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either obtain this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific compensation for Energy Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for Energy Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Energy Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 5**

### **Operating Reserve - Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The charges for Spinning Reserve Service are referred to below. The amount of Spinning Reserve Service will be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific charges for Operating Reserve - Spinning Reserve Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Operating Reserve - Spinning Reserve Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Operating Reserve - Spinning Reserve Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 6**

### **Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The charges for Supplemental Reserve Service are referred to below. The amount of Supplemental Reserve Service will be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission System specific charges for Operating Reserve - Supplemental Reserve Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Operating Reserve - Supplemental Reserve Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Operating Reserve - Supplemental Reserve Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 7**

### **Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity pursuant to the Transmission System specific Firm Point-to-Point Transmission Service Rate Schedule attached to and made a part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Firm Point-to-Point Transmission Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts, including requests for use by one's wholesale merchant or an Affiliate's use, must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.



## **SCHEDULE 8**

### **Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-to-Point Transmission Service pursuant to the Transmission System specific Non-Firm Point-to-Point Transmission Service Rate Schedule attached to and made a part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for Non-Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Non-Firm Point-to-Point Transmission Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts, including requests for use by one's wholesale merchant or an Affiliate's use, must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

### **WestConnect Participation and Rate Schedule - Hourly Non-Firm Point-To-Point Regional Transmission Service**

The Transmission Provider incorporates by reference and offers service under the WestConnect Amended and Restated Point-to-Point Regional Transmission Service Participation Agreement (Participation Agreement), as amended and supplemented, while Transmission Provider is a party to such Participation Agreement, over the Central Arizona Project, Colorado River Storage Project, Loveland Area Projects, Pacific Northwest-Pacific Southwest Intertie Project, and Parker-Davis Project transmission systems. Details regarding this WestConnect Regional Transmission Service are available on Transmission Provider's OASIS and at: [http://regpricing.westconnect.com/regional\\_transmission.htm](http://regpricing.westconnect.com/regional_transmission.htm).

## **SCHEDULE 9**

### **Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Transmission System specific compensation for Generator Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for Generator Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Generator Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **SCHEDULE 10**

### **Unreserved Use Penalties**

The Transmission System specific methodology for assessment of Unreserved Use Penalties is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement, if one exists. The rates or rate methodology used to calculate such penalties under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the methodology for assessment of Unreserved Use Penalties upon written notice to the Transmission Customer. Any change to that methodology shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. If a Transmission Customer does not have an applicable Service Agreement, they will be charged Unreserved Use Penalties in accordance with the Tariff. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

(Service Agreement Number)

(Transmission Customer)

Attachment A

## ATTACHMENT A

### Service Agreement for Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between the (Region) of Western Area Power Administration (Transmission Provider), and \_\_\_\_\_ (Transmission Customer), each of whom are sometimes hereinafter individually called Party and both of whom are sometimes hereinafter collectively called the Parties. For purposes of this Service Agreement, the Transmission Provider's Transmission System consists of the applicable facilities described in Attachment K to the Tariff. The Transmission Provider may revise charges or losses for Firm Point-to-Point Transmission Service provided under this Service Agreement pursuant to applicable Federal laws, regulations and policies upon written notice to the Transmission Customer.
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider a deposit and/or nonrefundable Application processing fee in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested Service Commencement Date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as is mutually agreed. Service under this agreement shall terminate on \_\_\_\_\_. The Transmission Provider's acceptance of a rollover or renewal request is contingent upon, and in the sole discretion of the Transmission Provider may be limited by, the Transmission Provider's requirement to utilize capacity on its Transmission System in amounts necessary to meet statutory and contractual obligations to deliver Federal power to Project Use and Firm Electric Service customers of the Federal government. The Transmission Provider is presently aware of the following events that will impact and/or alter the capacity of its Transmission System and cause a limitation or denial of a rollover or renewal request: (Each Region will add specific language into final service agreements detailing all known events that may affect transmission system capacity. Examples may include, but are not limited to: new Firm Electric Service Marketing Plans; status changes pertaining to Project Use and Firm Electric Service customers; and applications to join RTOs.) Therefore, notwithstanding the provisions of Section 2.2 of the Tariff, prior to expiration of this Service Agreement, the Transmission Provider may in its sole discretion determine that a rollover or renewal would impair its ability to meet these Federal obligations. In such case, the Transmission Provider may not offer a rollover or renewal of the Transmission Customer's transmission service in the amounts the Transmission Customer has reserved under this Service Agreement.

(Service Agreement Number)

(Transmission Customer)

Attachment A

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff, and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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Transmission Customer:

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Each Party may change the designation of its representative upon oral notice to the other, with confirmation of that change to be submitted in writing within ten (10) days thereafter.

7.0 The Tariff and, if applicable, the "Specifications For Long-Term Firm Point-To-Point Transmission Service", as presently constituted or as they may be revised or superseded, are incorporated herein and made a part hereof.

8.0 Power Factor: (To be filled in if applicable in accordance with Section 24.3 of the Tariff)

9.0 Transmission Losses

9.1 Loss Factors:

9.1.1 If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider's Transmission System differs from the loss factors set forth in this Service Agreement, the Transmission Provider will notify the Transmission Customer of the revised loss factor(s) pursuant to Section 1.0 of this Service Agreement.

9.1.2 Transmission Provider Transmission Loss Factor: Transmission Provider transmission losses shall initially be \_\_% and shall be

(Service Agreement Number)

(Transmission Customer)

Attachment A

assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

## 10.0 Ancillary Services

### 10.1 Provided by Transmission Provider

10.1.1 Scheduling, System Control, and Dispatch Service

10.1.2 Reactive Supply and Voltage Control from Generation Sources Service

### 10.2 Provided by Transmission Customer

10.2.1 (To be filled in if applicable)

10.2.2

### 10.3 Provided by \_\_\_\_\_

10.3.1 (To be filled in if applicable)

10.3.2

11.0 Net Billing and Bill Crediting Option: The Parties have agreed to implement [Net Billing, Bill Crediting, both Net Billing and Bill Crediting, or neither Net Billing nor Bill Crediting] as set forth in Attachment J.

12.0 Charges for Service: Charges for Firm Point-to-Point Transmission Service and associated Ancillary Services shall be calculated in accordance with the applicable Rate Schedule(s) attached hereto and made a part of this Service Agreement. The rates or rate methodology used to calculate the charges for service under that schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.



(Service Agreement Number)

(Transmission Customer)

Attachment A

(The following section will be included as appropriate at the Transmission Providers discretion)

13.0 Independent System Operator: The Parties understand that the Transmission Provider may join an independent system operator under Commission jurisdiction. In the event the Transmission Provider either joins or is required to conform to protocols of the independent system operator, the Parties agree that the Transmission Provider either may (1) make any changes necessary to conform to the terms and conditions required by Commission approval of the independent system operator, or (2) terminate this Service Agreement by providing a one-year written notice to the Transmission Customer.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

(TRANSMISSION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment A

## **Specifications For Long-Term Firm Point-To-Point Transmission Service**

- 1.0 Term of Transaction: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.  
\_\_\_\_\_
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_  
Capacity Reservation: \_\_\_\_\_
- 4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_  
Capacity Reservation: \_\_\_\_\_
- 5.0 The Maximum amount of capacity and energy to be transmitted (Reserved Capacity) is: \_\_\_\_\_
- 6.0 Designation of party(ies) subject to reciprocal service obligation:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 7.0 Name of the Control Area from which capacity and energy will be delivered to the Transmission Provider for Transmission Service:  
\_\_\_\_\_
- Name of the Control Area to which capacity and energy will be delivered by the Transmission Provider:  
\_\_\_\_\_
- Name(s) of any Intervening Systems providing transmission service:  
\_\_\_\_\_  
\_\_\_\_\_
- 8.0 Service under this Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.
- 8.1 Transmission Charge:

(Service Agreement Number)

(Transmission Customer)

Attachment A

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8.2 System Impact and/or Facilities Study Charge(s):

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8.3 Direct Assignment Facilities Charge:

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8.4 Ancillary Services Charges:

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8.5 Redispatch Charges: (To be filled in if applicable)

8.6 Network Upgrade Charges: (To be filled in if applicable)

(Service Agreement Number)

(Assignee)

Attachment A-1

## ATTACHMENT A-1

### Service Agreement For The Resale, Reassignment, Or Transfer Of Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between the (Region) of Western Area Power Administration (Transmission Provider), and \_\_\_\_\_ (Assignee), each of whom are sometimes hereinafter individually called Party and both of whom are sometimes hereinafter collectively called the Parties. For purposes of this Service Agreement, the Transmission Provider's Transmission System consists of the applicable facilities described in Attachment K to the Tariff.
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff and the terms and conditions of Service Agreement No. \_\_\_\_\_ between the Transmission Provider and the initial Reseller, except for the following terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee: contract effective and termination dates, subject to the limitations on rollover or renewal requests set forth in Service Agreement No. \_\_\_\_\_ between the Transmission Provider and the initial Reseller; the amount of reassigned capacity or energy; Point(s) of Receipt and Delivery; and transmission service and other charges. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall continue to invoice the initial Reseller for Point-to-Point Transmission Service provided in accordance with the terms and conditions of Service Agreement No. \_\_\_\_\_ between the Transmission Provider and the initial Reseller. The Reseller and the Assignee shall negotiate and execute separate billing arrangements between themselves for the charges reflected in this Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Service Agreement Number)

(Assignee)

Attachment A-1

Assignee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Each Party may change the designation of its representative upon oral notice to the other, with confirmation of that change to be submitted in writing within ten (10) days thereafter.

- 6.0 The Tariff, Service Agreement No. \_\_\_\_\_ between the Transmission Provider and the initial Reseller, and, if applicable, the “Specifications For The Resale, Reassignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service,” as presently constituted or as they may be revised or superseded, are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

(ASSIGNEE)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

(Service Agreement Number)

(Assignee)

Attachment A-1

### **Specifications For The Resale, Reassignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service**

- 1.0 Term of Transaction: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including  
the electric Control Area in which the transaction originates.  
\_\_\_\_\_
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_
- 4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_
- 5.0 Maximum amount of reassigned capacity: \_\_\_\_\_
- 6.0 Designation of party(ies) subject to reciprocal service obligation:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 7.0 Name of the Control Area from which capacity and energy will be delivered to the  
Transmission Provider for Transmission Service:  
\_\_\_\_\_  
  
Name of the Control Area to which capacity and energy will be delivered by the  
Transmission Provider:  
\_\_\_\_\_  
  
Name(s) of any Intervening Systems providing transmission service:  
\_\_\_\_\_  
\_\_\_\_\_
- 8.0 The Reseller and the Assignee have negotiated the charges detailed below in accordance  
with the terms and conditions of the Tariff.
- 8.1 Transmission Charge: \_\_\_\_\_  
\_\_\_\_\_
- 8.2 System Impact and/or Facilities Study Charge(s):  
\_\_\_\_\_  
\_\_\_\_\_



(Service Agreement Number)

(Assignee)

Attachment A-1

8.3 Direct Assignment Facilities Charge: \_\_\_\_\_

8.4 Ancillary Services Charges: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9.0 Name of Reseller of the reassigned transmission capacity:

\_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment B

## ATTACHMENT B

### Service Agreement for Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between the (Region) of Western Area Power Administration (Transmission Provider), and \_\_\_\_\_ (Transmission Customer), each of whom are sometimes hereinafter individually called Party and both of whom are sometimes hereinafter collectively called the Parties. For purposes of this Service Agreement, the Transmission Provider's Transmission System consists of the applicable facilities described in Attachment K to the Tariff. The Transmission Provider may revise charges or losses for Non-Firm Point-to-Point Transmission Service provided under this Service Agreement pursuant to applicable Federal laws, regulations and policies upon written notice to the Transmission Customer.
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Service Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer. This Service Agreement shall terminate on \_\_\_\_\_.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff, and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment B

Transmission Customer:

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Each Party may change the designation of its representative upon oral notice to the other, with confirmation of that change to be submitted in writing within ten (10) days thereafter.

7.0 The Tariff as presently constituted or as it may be revised or superseded is incorporated herein and made a part hereof.

8.0 Power Factor: (To be filled in if applicable in accordance with Section 24.3 of the Tariff)

9.0 Transmission Losses:

9.1 Loss Factors:

9.1.1 If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider's Transmission System differs from the loss factors set forth in this Service Agreement, the Transmission Provider will notify the Transmission Customer of the revised loss factor(s) pursuant to Section 1.0 of this Service Agreement.

9.1.2 Transmission Provider Transmission Loss Factor: Transmission Provider transmission losses shall initially be \_\_\_% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

10.0 Ancillary Services

10.1 Provided by Transmission Provider

10.1.1 Scheduling, System Control, and Dispatch Service

10.1.2 Reactive Supply and Voltage Control from Generation Sources Service

10.2 Provided by Transmission Customer

10.2.1 (To be filled in if appropriate)

10.2.2

10.3 Provided by \_\_\_\_\_

10.3.1 (To be filled in if appropriate)

(Service Agreement Number)

(Transmission Customer)

Attachment B

### 10.3.2

- 11.0 Net Billing and Bill Crediting Option: The Parties have agreed to implement [Net Billing, Bill Crediting, both Net Billing and Bill Crediting, or neither Net Billing nor Bill Crediting] as set forth in Attachment J.
- 12.0 Charges for Service: Charges for Non-Firm Point-to-Point Transmission Service and associated Ancillary Services shall be calculated in accordance with the applicable Rate Schedules(s) attached hereto and made a part of this Service Agreement. The rates or rate methodology used to calculate the charges for service under that schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

[The following section will be included as appropriate at the Transmission Provider's discretion]

- 13.0 Independent System Operator: The Parties understand that the Transmission Provider may join an independent system operator under Commission jurisdiction. In the event the Transmission Provider either joins or is required to conform to protocols of the independent system operator, the Parties agree that the Transmission Provider either may (1) make any changes necessary to conform to the terms and conditions required by Commission approval of the independent system operator, or (2) terminate this Service Agreement by providing a one-year written notice to the Transmission Customer.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(TRANSMISSION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

DISCLAIMER: WAPA's Open Access Transmission Tariff (OATT) is filed with the Federal Energy Regulatory Commission (FERC).  
WAPA's filings and associated FERC orders establish the rates, terms and conditions of service. This version is  
prepared for the convenience of WAPA's customers and any conflicts between this document and  
the version filed shall be resolved in favor of the version filed.

(Service Agreement Number)

(Transmission Customer)

Attachment B

Title \_\_\_\_\_

Date \_\_\_\_\_

## ATTACHMENT C

### Methodology to Assess Available Transfer Capability

#### Part I - Colorado River Storage Project Management Center, Desert Southwest Region, Rocky Mountain Region, and Sierra Nevada Region

- (1) Detailed description of the specific mathematical algorithm used to calculate firm and non-firm ATC for scheduling, operating and planning horizons.

##### Scheduling Horizon

- a. Firm ATC =  $TTC - TRM - ETC$
- b. Non-Firm ATC =  $TTC - TRM * Coef - ETC$

##### Operating Horizon

- a. Firm ATC =  $TTC - TRM - ETC$
- b. Non-Firm ATC =  $TTC - TRM * Coef - ETC$

##### Planning Horizon

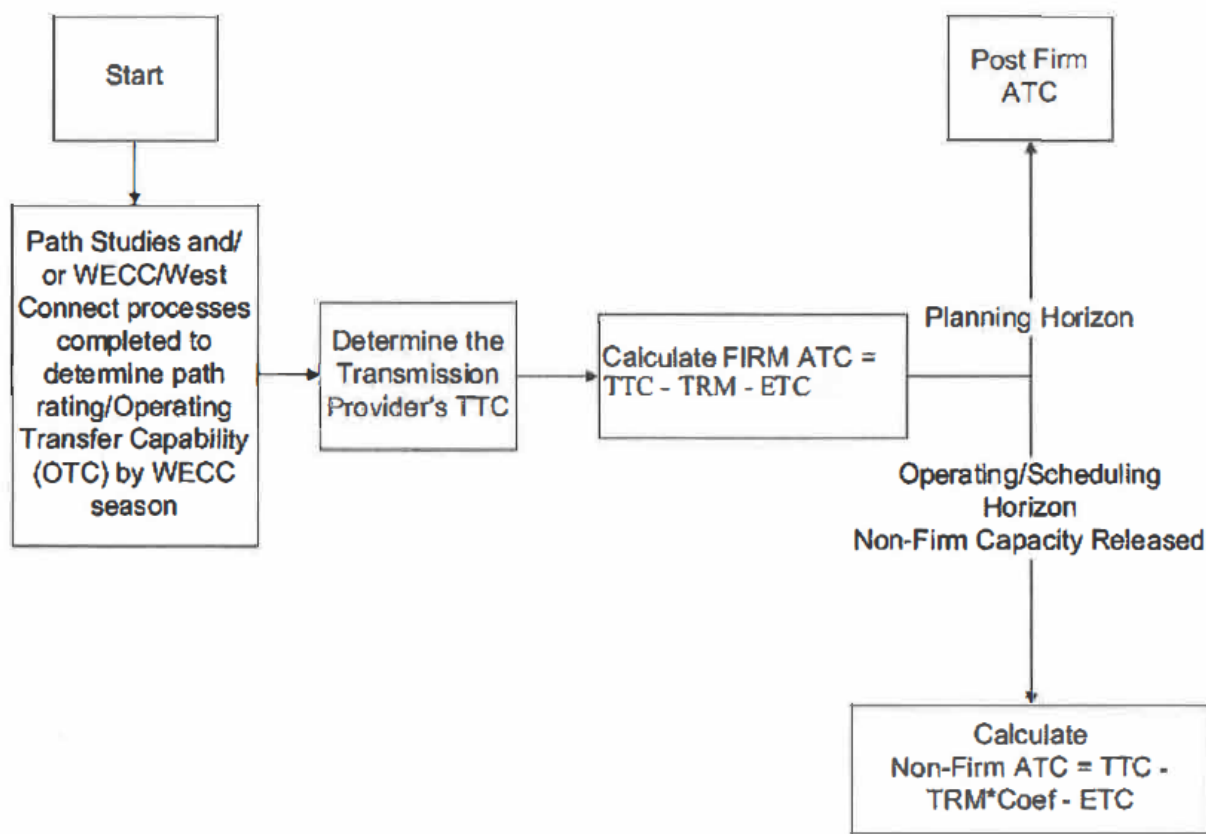
- a. Firm ATC =  $TTC - TRM - ETC$
- b. Non-Firm ATC =  $TTC - ETC$

The Transmission Provider's ATC algorithms are also available on the Transmission Provider's OASIS website.

- (2) A process flow diagram that illustrates the various steps through which ATC/AFC is calculated



## ATC Process Flow Diagram



### (3) Detailed explanation of how each of the ATC components is calculated for both the operating and planning horizons

#### a. For TTC:

##### i. Definition of TTC:

Total Transfer Capability (TTC): The amount of electric power that can be transferred over a specific path within the Transmission Provider's interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post- contingency system conditions. TTC is a variable quantity, dependent upon operating conditions in the near term and forecasted conditions in the long term. TTC shall be calculated consistent with the requirements of FERC, NERC and WECC as needed to represent system conditions, but no less frequently than seasonally. TTC cannot exceed the path rating.

Attachment C

ii. TTC calculation methodology.

- For transmission facilities that will affect the Western Interconnection, the determination of TTC is accomplished through the WECC Path Rating Process. The Transmission Provider follows the ATC methodology adopted by WECC and presented in the WECC document Determination of Available Transfer Capability Within the Western Interconnection. Seasonal Operating Transfer Capability (OTC) studies are completed to determine the limit at which a transmission path can be operated at and still meet reliability requirement under an N-1 (single contingency) condition.
- TTC is determined either prior to a new transmission component being brought into service or when a modification to a transmission component would affect the TTC.
- Once the TTC determination is made, it remains fixed and changes only if there is a physical or operational change to the transmission system or a transmission component which requires a change to TTC.
- When transmission facilities are jointly owned, the capacity is allocated among the owners based on the joint ownership or participation agreement; therefore, the TTC of the jointly owned facilities will be based upon the capacity allocated to each Transmission Provider.
- If a WECC defined path must be separated into components to properly allow for the commercial use of the path and its components, the components' TTCs will be based on the same studies used to determine the path OTC or the thermal rating of the components. The sum of the components' TTCs will not exceed the path OTC.
- For internal constraints, the net of local load and local generation may be used to determine TTC and/or ATC.
- Narratives explaining changes to monthly and/or yearly TTC are posted on the Transmission Provider's OASIS.

iii. List of databases used in TTC assessments:

The Transmission Provider utilizes the NERC and WECC contract path methodology to determine TTC on its transmission system. The determination of the TTC for paths on the Transmission Provider system is segment dependent. However, the tools used to determine TTC are the same for all segments, i.e., powerflow and stability programs using system modeling data obtained through WECC.

Attachment C

iv. Assumptions used in TTC assessments:

Paths with established transfer capabilities will not be evaluated unless there is a valid reason for doing so, such as a component change or new configuration, which could affect the transfer capability. Should a change in a WECC rated path warrant restudying, the required studies for the path will be performed through the WECC Path Rating Process. Should a change in a non-WECC rated path warrant restudying, the required studies for the path will follow the WECC rated path methodology, but not be brought through the WECC Path Rating Process. However, the study process will be performed through the applicable Regional or Sub-Regional Planning group.

b. For ETC:

i. Definition of ETC.

**Existing Transmission Commitments (ETC):** ETC is transmission that is already committed for use.

There are four types of committed uses: 1) native load uses; 2) existing commitments for purchase/exchange/deliveries/sales; 3) existing commitments for transmission service (Pre-Order 888, Post-Order 888, point-to-point and network); and 4) other pending potential uses of transfer capability (non-confirmed Transmission Service Requests). The Transmission Provider determines ETC as the total of all contracts using a contract path methodology.

ii. Explanation of calculation methodology used to determine the transmission capacity to be set aside for native load and non-OATT customers:

The Transmission Service Provider shall determine the impact of firm ETCs based on the following inputs:

- The transmission capability utilized in serving Firm Electric Service, congressionally mandated power deliveries to Transmission Provider's preference customers from the Federally owned generating plants.
- The impact of Firm Network Integration Transmission Service serving Load, to include Load forecast error and losses not otherwise included in TRM.

Attachment C

- The impact of grandfathered firm Transmission Service agreements and bundled contracts for energy and transmission, where executed prior to the effective date of Transmission Provider's Tariff .
- The impact of Firm Point-to-Point Transmission Service.
- The impact of any Ancillary Services not otherwise included in TRM,
- Post-backs of redirected or released Firm services.
- The impact of any other services, contracts, or agreements not specified above using transmission that serves Firm Electric Service or Firm Network Integration Transmission Service.

iii. How Point-to-Point Transmission Service requests are incorporated.

Point-to-point type contracts are modeled using the specified megawatt quantity, Point of Receipt, Point of Delivery, and contract term.

iv. How rollover rights are accounted for:

Western takes into consideration an existing transmission customer's rollover rights when assessing whether to confirm a new request for Long-Term Firm Point-to-Point Transmission Service. Western posts on OASIS potentially available ATC, including capacity associated with the rollover rights, but it does not grant new transmission service until such rollover rights have expired. This approach allows a customer viewing Western's posted ATC to consider all potentially available ATC and submit a request to obtain a queue position, should the existing transmission customer allow its rollover rights to expire. An OASIS assignment reference and queue time will be given to these new requestors. The new requests will be evaluated with the assumption that the existing transmission customer's rollover rights will rollover. If there is insufficient capacity to accommodate the transmission service request, the requests will follow the system impact study procedure outlined in Section 19 of Western's Tariff.

v. Processes for ensuring that non-firm capacity is released properly:

The Transmission Provider calculates and releases the unused firm transmission capacity as non-firm transmission capacity immediately after the deadline for firm schedule submissions to account for firm transmission capacity which has not been scheduled (tagged).

- c. If a Transmission Provider uses an AFC methodology to calculate ATC, it shall.
- (i) explain its definition of AFC; (ii) explain its AFC calculation methodology,
  - (iii) explain its process for converting AFC into ATC for OASIS posting, (iv) list the

Attachment C

databases used in its AFC assessments; and (v) explain the assumptions used in its AFC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.

The Transmission Provider does not use an AFC methodology to calculate ATC.

d. For TRM:

i. Definition of TRM:

**Transmission Reliability Margin (TRM):** The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure, TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.

ii. TRM calculation methodology:

The Transmission Provider currently reserves TRM to support the activation of operating reserves internally or via participation in a Reserve Sharing Group, if applicable. The Transmission Provider's obligation to deliver reserves is calculated pursuant to the requirements of the Transmission Provider or its applicable Reserve Sharing Group. In addition, the Transmission Provider may include an additional transmission capacity to account for its network customers load forecast error and at certain paths to account for unscheduled flow.

iii. Databases used in TRM assessments:

The Transmission Provider uses a value between 0 to 1 for TRM Coefficient to release a portion of the capacity reserved under TRM as non-firm. The Transmission Provider uses its scheduling system, PI, and SCADA, WECC powerflow and stability models, and associated simulation software in its calculation of TRM.

iv. Conditions under which the Transmission Provider uses TRM:

The Transmission Provider may use TRM for any of the following:

- Transmission necessary for the activation of operating reserves;
- Unplanned transmission outages;
- Simultaneous limitations associated with operating under a nomogram;

Attachment C

- Loading variations due to balancing of generation and load;
- Uncertainty in load distribution and/or load forecast;
- Allowed for unscheduled flow.

e. For CBM:

- i. Identification of the entity who performs the resource adequacy for CBM determination:

The Transmission Provider does not utilize CBM.

- ii. The methodology used to perform the generation reliability assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- iii. Explanation of whether the assessment method reflects a specific regional practice:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- iv. Assumptions used in this assessment:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- v. Basis for the selection of paths on which CBM is set aside:

The Transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

f. Additionally for CBM:

- i. Explain definition of CBM:

The transmission Provider has established CBM of zero on all transmission paths when calculating ATC.

- ii. List of databases used in CBM calculations:

The Transmission Provider does not use any databases in its CBM calculation,

Attachment C

- iii. Demonstration that there is no double-counting of outages when performing CBM, TTC and TRM calculations:

Since the Transmission Provider has established CBM as zero on all transmission paths, the Transmission Provider can't double count for outages.

- g. Procedures for allowing use of CBM during emergencies (with explanation of what constitutes an emergency, entities that are permitted to use CBM during emergencies and procedure which is followed by the Transmission Provider's merchant function and other load-serving entities when they need to access CBM:

At this time, the Transmission Provider's Network Customers have not requested CBM set aside, therefore the Transmission Provider does not have CBM set aside.

## **Part II - Upper Great Plains Region**

Western's Upper Great Plains Region (UGPR) joined the Southwest Power Pool, Inc. (SPP) as a transmission owner and transferred functional control of all of its eligible transmission facilities to SPP on October 1, 2015. Transmission service over those UGPR transmission facilities is available solely under the SPP Open Access Transmission Tariff (SPP Tariff). SPP is the Transmission Provider for UGPR's transmission facilities under the SPP Tariff and utilizes SPP's ATC calculation methodology.



## **ATTACHMENT D**

### **Methodology for Completing a System Impact Study**

The Transmission Provider will assess the capability of the Transmission System to provide the service requested using the criteria and process for this assessment as detailed in Sections 4 and 5 of FERC Form 715 submitted to the Commission on behalf of the Transmission Provider by the Western Electricity Coordinating Council (WECC), in those instances where the Transmission Provider is a member of WECC or successor entity (Colorado River Storage Project, Desert Southwest Region, Rocky Mountain Region, and Sierra Nevada Region). The Transmission Provider will use the Southwest Power Pool, Inc. (SPP) System Impact Study methodology, if necessary, when the Transmission Provider is a transmission owning member of SPP (Upper Great Plains Region).

## **ATTACHMENT E**

### **Index of Point-To-Point Transmission Service Customers**

Customer

Date of Service Agreement

(Information is posted on the Transmission Provider's Regional Office Open Access Same-Time Information System.)

(Service Agreement Number)

(Transmission Customer)

Attachment F

## ATTACHMENT F

### Service Agreement for Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between the (Region) of Western Area Power Administration (Transmission Provider), and \_\_\_\_\_ (Transmission Customer), each of whom are sometimes hereinafter individually called Party and both are sometimes hereinafter collectively called the Parties. For purposes of this Service Agreement, the Transmission Provider's Transmission Systems consist of the applicable facilities described in Attachment K to the Tariff. The Transmission Provider may revise charges or losses for Network Integration Transmission Service provided under this Service Agreement pursuant to applicable Federal laws, regulations and policies upon written notice to the Transmission Customer.
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The Transmission Customer has provided to the Transmission Provider a deposit and nonrefundable application processing fee in accordance with the provisions of Section 29.2 of the Tariff.
- 3.0 Service under this Service Agreement shall commence on the later of (1) \_\_\_\_\_, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as is mutually agreed. Service under this Service Agreement shall terminate on \_\_\_\_\_.
- 4.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, and this Service Agreement.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Transmission Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment F

Each Party may change the designation of its representative upon oral notice to the other, with confirmation of that change to be submitted in writing within ten (10) days thereafter.

- 6.0 The Tariff and the “Specifications for Network Integration Transmission Service” as presently constituted or as they may be revised or superseded are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

WESTERN AREA POWER ADMINISTRATION

By \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

(TRANSMISSION CUSTOMER)

(SEAL)

By \_\_\_\_\_

Attest:

Title \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

(Service Agreement Number)

(Transmission Customer)

Attachment F

## Specifications for Network Integration Transmission Service

For purposes of this Service Agreement, the Transmission Provider's Transmission System consists of the facilities of the (Region) as described in Attachment K.

1.0 The Transmission Provider will provide Network Integration Transmission Service over the Transmission Provider's Transmission System for the delivery of capacity and energy from the Transmission Customer's designated Network Resources to the Transmission Customer's designated Network Load. The Transmission Provider will also provide non-firm transmission service from non-designated Network Resources under the terms of this Service Agreement. The loss factors associated with this Network Integration Transmission Service are set forth below. Such losses shall be applied and accounted for as set forth in Section 4.

### 2.0 Designated Network Resources:

Designated Network Resources & Estimated Maximum Resource (MW)	Point of Receipt	Delivering Party & Voltage

### 3.0 Designated Network Loads:

Designated Network Load & Estimated Maximum Load (MW)	Point of Delivery	Voltage

4.0 Transmission Losses:

4.1 Loss Factors:

4.1.1 If, based on operating experience and technical studies, the Transmission Provider determines that any of the transmission loss factors on the Transmission Provider's Transmission System differs from the loss factors set forth in this Service Agreement, the Transmission Provider will notify the Transmission Customer of the revised loss factor(s) pursuant to Section 1.0 of this Service Agreement.

4.1.2 Transmission Provider Transmission Loss Factor: For deliveries to the Transmission Customer's Network Load, Transmission Provider transmission losses shall initially be \_\_% and shall be assessed on the power scheduled and transmitted to a point of delivery on the Transmission Provider's Transmission System.

4.2 Transmission losses may be revised by written notice from the Transmission Provider to the Transmission Customer.

5.0 The Transmission Customer's transmission facilities that are integrated with the Transmission Provider's Transmission System will receive \_\_\_\_\_ credit (To be filled in if appropriate). These facilities include the following:

5.1 (To be filled in if appropriate)

5.2 (To be filled in if appropriate)

6.0 Names of any intervening systems with whom the Transmission Customer has arranged for transmission service to the Transmission Provider's Transmission System.

6.1 \_\_\_\_\_

6.2 \_\_\_\_\_

7.0 Power Factor: (To be filled in if applicable in accordance with Section 24.3 of the Tariff)

8.0 Ancillary Services

8.1 Provided by Transmission Provider

8.1.1 Scheduling, System Control, and Dispatch Service

8.1.2 Reactive Supply and Voltage Control from Generation Sources Service

8.2 Provided by Transmission Customer

8.2.1 (To be filled in if appropriate)

(Service Agreement Number)

(Transmission Customer)

Attachment F

## 8.2.2

8.3 Provided by \_\_\_\_\_

8.3.1 (To be filled in if appropriate)

8.3.2

9.0 Net Billing and Bill Crediting Option: The Parties have agreed to implement [Net Billing, Bill Crediting, both Net Billing and Bill Crediting, or neither Net Billing nor Bill Crediting] as set forth in Attachment J.

10.0 Charges for Service: Charges for Network Integration Transmission Service and associated Ancillary Services shall be calculated in accordance with the applicable Rate Schedule(s) attached hereto and made a part of this Service Agreement. The rates or rate methodology used to calculate the charges for service under that schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

[The following section will be included as appropriate at the Transmission Provider's discretion]

11.0 Independent System Operator: The Parties understand that the Transmission Provider may join an independent system operator under Commission jurisdiction. In the event the Transmission Provider either joins or is required to conform to protocols of the independent system operator, the Parties agree that the Transmission Provider either may (1) make any changes necessary to conform to the terms and conditions required by Commission approval of the independent system operator, or (2) terminate this Service Agreement by providing a one-year written notice to the Transmission Customer.



(Service Agreement Number)

(Transmission Customer)

Attachment G

## **ATTACHMENT G**

### **Network Operating Agreement**

To be executed by the Transmission Provider if necessary, at such time as the Transmission Provider has negotiated or offered a Network Integration Transmission Service Agreement. The terms and conditions under which the Network Customer will be required to operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service and this Service Agreement will be specified in a separate Network Operating Agreement.

The Network Operating Agreement will include provisions addressing the following:

- Authorized Representatives of the Parties
- Network Operating Committee
- Load Following
- System Protection
- Redispatch to Manage Transmission Constraints
- Maintenance of Facilities
- Load Shedding
- Operation Impacts
- Service Conditions
- Data, Information and Reports
- Metering
- Communications
- System Regulation and Operating Reserves
- Assignment
- Notices
- Accounting for Transmission Losses

## **ATTACHMENT H**

### **Annual Transmission Revenue Requirement for Network Integration Transmission Service**

- 1.0 The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service is to be set forth in a separate Rate Schedule.
- 2.0 The amount in 1 shall be effective until amended by the Transmission Provider or modified by the Commission pursuant to applicable Federal laws, regulations and policies, and may be revised upon written notice to the Transmission Customer.

## **ATTACHMENT I**

### **Index of Network Integration Customers**

Customer

Date of Service Agreement

(Information is posted on the Transmission Provider's Regional Office Open Access Same-Time Information System.)

## **ATTACHMENT J**

### **Provisions Specific to the Transmission Provider**

#### **1.0 Change of Rates**

Rates applicable under the Service Agreements shall be subject to change by Transmission Provider in accordance with appropriate Rate Adjustment procedures. If at any time the Transmission Provider promulgates a rate changing a rate then in effect under a Service Agreement, it will promptly notify the Transmission Customer thereof. Rates shall become effective as to the Service Agreements as of the effective date of such rate. If the adjustment in the formula or rate results in an increase in the charges for Transmission Customers, the Transmission Customer may terminate the service billed by the Transmission Provider under the Rate Formula Adjustment or Rate Adjustment by providing written notice to the Transmission Provider within ninety (90) days after the effective date of the Rate Formula Adjustment or Rate Adjustment. Said termination shall be effective on the last day of the billing period requested by the Transmission Customer not later than two (2) years after the effective date of the New Rate. Service provided by the Transmission Provider shall be paid for at the New Rate regardless of whether the Transmission Customer exercises the option to terminate service. This provision does not apply in those instances where rates change because the Transmission Provider updates charges pursuant to an existing formula rate.

#### **2.0 Appropriations and Authorizations**

##### **2.1 Contingent Upon Appropriations**

Where activities provided for in the Service Agreement extend beyond the current fiscal year, continued expenditures by the Transmission Provider are contingent upon Congress making necessary appropriations required for the continued performance of the Transmission Provider's obligations under the Service Agreement. In case such appropriation is not made, the Transmission Customer hereby releases the Transmission Provider from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

##### **2.2 Contingent Upon Authorization Language**

In order to receive and expend funds advanced from the Transmission Customer necessary for the continued performance of the obligations of the Transmission Provider under the Service Agreement, additional authorization may be required. In case such authorization is not received, the Transmission Customer hereby releases the Transmission Provider from those contractual obligations and from all liability due to the lack of such authorization.

### 3.0 Covenant Against Contingent Fees

The Transmission Customer warrants that no person or selling agency has been employed or retained to solicit or secure the Service Agreement upon a contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Transmission Customer for the purpose of securing business. For breach or violation of this warranty, the Transmission Provider shall have the right to annul the Service Agreement without liability or in its discretion to deduct from the Service Agreement price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

### 4.0 Contract Work Hours and Safety Standards

The Service Agreement, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

### 5.0 Equal Opportunity Employment Practices

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Transmission Customer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the Service Agreement the same as if the specific language had been written into the Service Agreement, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

### 6.0 Use of Convict Labor

The Transmission Customer agrees not to employ any person undergoing sentence of imprisonment in performing the Service Agreement except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

### 7.0 Entire Agreement

The Service Agreements, including the Tariff, together with the specifications under such Service Agreement and any completed scheduling forms shall constitute the entire understanding between the Transmission Provider and the Transmission Customer with respect to Transmission Service thereunder.

## 8.0 Power Supply Obligations

The Transmission Provider shall not be obligated to supply capacity and energy from its own sources or from its purchases from other neighboring systems during Interruptions or Curtailments in the delivery by the Transmission Provider or delivery to the Transmission Provider by the Delivering Party of capacity and energy for Transmission Service hereunder, and nothing in the Service Agreement or in the Transmission Customer's agreements with others shall have the effect of making, nor shall anything in the Service Agreement or said agreements with others be construed to require the Transmission Provider to take any action which would make the Transmission Provider, directly or indirectly, a source of power supply to the Transmission Customer, to any Delivering Party or Receiving Party, or to any ultimate recipient other than through the provision of Operating Reserve Service.

## 9.0 Federal Law

Performance under the Tariff and Service Agreement shall be governed by applicable Federal law.

## 10.0 Continuing Obligations

The applicable provisions of the Service Agreement will continue in effect after termination of the Service Agreement to the extent necessary to provide for final billing, billing adjustments and payments, and with respect to liability and indemnification from acts or events that occurred while this Service Agreement was in effect.

## 11.0 Net Billing

As mutually agreed in the Service Agreement, payments due the Transmission Provider by a Transmission Customer may be offset against payments due the Transmission Customer by the Transmission Provider for the use of transmission facilities, operation and maintenance of electric facilities, and other services. For services included in net billing procedures, payments due one Party in any month shall be offset against payments due the other Party in such month, and the resulting net balance shall be paid to the Party in whose favor such balance exists. The Parties shall exchange such reports and information that either Party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

## 12.0 Bill Crediting

As mutually agreed in the Service Agreement, payments due the Transmission Provider by a Transmission Customer shall be paid by a Transmission Customer to a third party when so directed by the Transmission Provider. Any third party designated to receive payment in lieu of the Transmission Provider, and the amount to be paid to that party, will be so identified in writing to a Transmission Customer with the monthly power bill. The payment to the third party shall be due and payable by the payment due date specified on the Transmission Provider's bill. When remitting payment to a designated third party, a Transmission Customer shall indicate that such payment is being made on behalf of the Transmission Provider. The Transmission Provider

shall credit a Transmission Customer for the amount paid as if payment had been made directly to the Transmission Provider. All other payment provisions shall remain in full force and effect.

### 13.0 Costs Associated with United States Bureau of Reclamation and United States Army Corps of Engineers Interconnections

The Transmission Provider and the United States Bureau of Reclamation (Bureau) and the United States Army Corps of Engineers (Corps) have a unique statutory relationship which requires the Transmission Provider to repay to the United States Treasury obligations incurred by those two entities related to the production of power. Requiring the Bureau or Corps to submit deposits to the Transmission Provider or to directly pay for costs associated with interconnection study work under the Tariff, including the Standard Large or Small Generator Interconnection Agreement (LGIA/SGIA) or Standard Large or Small Generator Interconnection Procedures (LGIP/SGIP) found in Attachments L and M respectively of the Transmission Provider's Tariff, will result in additional unnecessary administrative burdens and overhead charges. Therefore, Transmission Provider reserves the right, at the Transmission Provider's discretion, to not require the Bureau or the Corps to pay negotiation costs under the LGIP or SGIP, or submit deposits in whole or in part for study work or for placing reservations in the queue. Transmission Provider will account for these costs under the Transmission Provider's Tariff as if such costs had been paid by the Bureau or Corps, including costs associated with the LGIA/SGIA or LGIP/SGIP.

### 14.0 Participant Funding

The Transmission Provider reserves the right to negotiate participant funding provisions if and when it deems necessary, and to incorporate the results of such negotiations into the LGIA or SGIA. This will allow Transmission Provider to properly and equitably fulfill its responsibility as the transmission provider for various facilities owned by other entities, including facilities in which Transmission Provider has joint ownership.

### 15.0 Liability

The Transmission Provider is only liable for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. § 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

### 16.0 Environmental Compliance

Transmission [or Interconnection] Customer recognizes that as a Federal agency, Transmission Provider must comply with various environmental and natural resource laws regulating the construction, operation and maintenance of its transmission facilities, including but not limited to the National Historic Preservation Act, 16 U.S.C § 470 to 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. § 470aa-470mm (2006): and regulations, and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations and



executive orders. Transmission [or Interconnection] Customer shall comply with all environmental laws, regulations and resource protection measures, including but not limited to, any mitigation measures and Best Management Practices associated with the Transmission [or Interconnection] Customer's requested service. Transmission [or Interconnection] Customer understands that the Transmission Provider's decision to execute a Tariff agreement is dependent on conclusions reached in the record of decision under NEPA, or other such appropriate NEPA document, concerning the respective project and that Transmission Provider's NEPA review could result in a decision not to execute a Tariff agreement or to delay Tariff agreement execution. This decision shall not be subject to dispute resolution.

## **ATTACHMENT K**

### **Authorities and Obligations**

Western was established on December 21, 1977, pursuant to Section 302 of the Department of Energy (DOE) Organization Act, Public Law 95-91, dated August 4, 1977. By law, the Bureau of Reclamation provides Federal power resources to its project use customers. By law, Western markets Federal power resources to its electric service customers. Western's transmission system was built primarily to enable the delivery of Federal power to satisfy these obligations.

Western is not a public utility under Sections 205 and 206 of the Federal Power Act and is not specifically subject to the requirements of the Commission's Final Orders related to Open Access Transmission or Generator Interconnections. Western is a transmitting utility subject to Sections 210-213 of the Federal Power Act. The Department of Energy has issued a Power Marketing Administration Open Access Transmission Policy that supports the intent of the Commission's Notice of Proposed Rulemaking for Open Access Transmission.

Use of transmission facilities that Western owns, operates, or to which it has contract rights for delivery of Federal long-term firm capacity and energy to project use and electric service customers is a Western responsibility under the terms and conditions of marketing criteria and electric service contracts implementing statutory obligations to market Federal power. This is complementary with the provisions of the Tariff. Transmission service provided by Western under the Tariff is solely for the use of Available Transfer Capability (ATC) in excess of the capability Western requires for the delivery of long-term firm capacity and energy to project use and electric service customers of the Federal government. Western will offer to provide others transmission service equivalent to the service Western provides itself.

Western's Regional Offices' reserved transmission capacity shall therefore include capacity sufficient to deliver Federal power resources to customers of the Federal government. Nothing in this Tariff shall alter, amend or abridge the statutory or contractual obligations of Western to market and deliver Federal power resources and to repay the Federal investment in such projects. The Tariff provides for transmission service, including each Regional Office's use of those facilities for Third Party Sales, on the unused capability of transmission facilities under the jurisdiction or control of each of Western's Regional Offices not required for the delivery of long-term firm capacity and energy to customers of the Federal government in a manner consistent with the spirit and intent of the Commission's Order Nos. 888 and 890, et seq.

Western has prepared this Tariff and Service Agreements to provide transmission service comparable to that required of public utilities by the Commission's open access orders, and to implement those orders consistent with the DOE Policy. An entity desiring transmission service from Western must comply with the application procedures outlined herein. The review and approval requirements detailed herein will apply to all requesting parties. Western will perform the necessary studies or assessments for evaluating requests for transmission service as set forth in the Tariff. Any facility construction or interconnection necessary to provide transmission service will be subject to Western's General Requirements for Interconnection which are available upon request.

Western will provide Firm and Non-Firm Point-to-Point Transmission Service and Network Integration Transmission Service under this Tariff. The specific terms and conditions for providing transmission service to a customer will be included in a Service Agreement. Operating Procedures, ATC, and System Impact Methodology are defined in the Attachments. Western's rates are developed under separate public processes pursuant to applicable Federal law and regulations. Therefore, rates and charges for specific services will be set forth in the appropriate Regional rate schedules attached to each Service Agreement.

Western has marketed the maximum practical amount of power from each of its projects, leaving little or no flexibility for provision of additional power services. Changes in water conditions frequently affect the ability of hydroelectric projects to meet obligations on a short-term basis. The unique characteristics of the hydro resource, Western's marketing plans and the limitations of the resource due to changing water conditions limit Western's ability to provide generation-related services including Ancillary Services and redispatching using Federal hydro resources.

Western operates in 15 central and western states encompassing a geographic area of 3.38 million-square-kilometers (1.3 million-square-miles). Western has four Customer Service Regional Offices, the Desert Southwest Region, Rocky Mountain Region, Sierra Nevada Region, Upper Great Plains Region, and the Colorado River Storage Project Management Center. Each office is referred to in the Tariff as Regional Office. The addresses for submitting applications to Western's Regional Offices by mail, as well as the respective OASIS links, are available on Western's web site at [www.wapa.gov](http://www.wapa.gov).

### **Colorado River Storage Project Management Center**

The Colorado River Storage Project Management Center (CRSP MC), located in Salt Lake City, Utah, markets power from three Federal multipurpose water development projects; the Colorado River Storage Project (CRSP), the Collbran Project, and the Rio Grande Project, collectively called the Integrated Projects. The hydroelectric facilities associated with these projects include: Flaming Gorge and Fontenelle powerplants on the Green River; Blue Mesa, Morrow Point, and Crystal powerplants on the Gunnison River; Upper and Lower Molina powerplants of the Collbran Project in Western Colorado; the largest of the CRSP facilities, Glen Canyon powerplant on the Colorado River; and Elephant Butte powerplant, part of the Rio Grande Project on the Rio Grande River in South Central New Mexico; McPhee powerplant and Towaoc Canal on the Dolores River in southwestern Colorado. The CRSP transmission system consists of high-voltage transmission lines and attendant facilities extending from Arizona, into New Mexico, through Colorado, and into portions of Utah and Wyoming. The CRSP MC uses the CRSP transmission system to meet its commitments to its Federal customers, point-to-point transmission customers, and exchange power contractors. The CRSP MC must, therefore, reserve sufficient transmission capacity to meet these long-term obligations. The CRSP MC also needs to reserve capacity in its transmission system to enable it to deliver power produced by the Integrated Projects hydroelectric powerplants during periods when flood control water releases produce greater than normal generation levels.

The CRSP MC office, located in Salt Lake City, is a member of the Western Electricity Coordinating Council (WECC).

The CRSP MC does not operate a Control Area and as such may be unable to provide some or all of the services under the Tariff from its Integrated Projects hydroelectric resources, including, but not limited to, certain Ancillary Services.

CRSP MC plans to participate in the Western Energy Imbalance Service Market (WEIS Market) administered by the Southwest Power Pool, Inc. (SPP). Transmission Service provided under the Tariff related to CRSP MC's participation in the WEIS Market, pursuant to Attachment R, is solely in excess of the capability CRSP MC requires for the delivery of long-term firm capacity and energy to CRSP MC's project use and electric service customers.

### **Desert Southwest Region**

The Desert Southwest Region (DSR) manages transmission facilities in the states of Arizona, California, and Nevada. The DSR transmission facilities are interconnected with transmission facilities of several non-Federal entities and its system is operated in the WECC. For the purpose of implementing this Tariff the transmission facilities of the Parker-Davis Projects and the Pacific Northwest-Pacific Southwest Intertie Project (Pacific AC Intertie) will be utilized. For the purpose of implementing this Tariff, references in the Tariff to "deliveries of long-term firm capacity and energy" include the deliveries of Boulder Canyon Project electric service over the DSR Transmission System. DSR manages a control area operations center through its Desert Southwest Regional Office located in Phoenix, Arizona.

DSR participates in the California Independent System Operator's (CAISO) Western Energy Imbalance Market (EIM) as a Balancing Authority Area. Transmission Service provided under the Tariff related to DSR's participation in the EIM, pursuant to Attachment T, is solely in excess of the capability DSR requires for the delivery of long-term firm capacity and energy to DSR's project use and electric service customers.

### **Rocky Mountain Region**

The Rocky Mountain Region (RMR) manages transmission facilities in the states of Colorado, Wyoming, and Nebraska, which were constructed for the primary purpose of marketing power from the Pick-Sloan Missouri Basin Program - Western Division. The RMR office and Control Area operations center is located in Loveland, Colorado and its system is operated in the WECC.

For RMR, the rates for Point-to-Point and Network Integration Transmission Service charged pursuant to the Tariff will be calculated using the costs of the transmission facilities of the Pick-Sloan Missouri Basin Program - Western Division. The rates for the Ancillary Services will be calculated using the costs of the generation facilities of the CRSP within the RMR control area, Pick-Sloan Missouri Basin Program - Western Division and the Fryingpan-Arkansas Project.

RMR plans to participate in the WEIS Market administered by SPP. Transmission Service provided under the Tariff related to RMR's participation in the WEIS Market, pursuant to Attachment R, is solely in excess of the capability RMR requires for the delivery of long-term firm capacity and energy to RMR's project use and electric service customers.

### **Sierra Nevada Region**

The Sierra Nevada Customer Service Region (SNR), located in Folsom, California, manages the Central Valley Project (CVP) transmission facilities in the State of California. These facilities were constructed for the primary purpose of marketing power resources from the CVP. SNR also has ownership rights to capacity in three multi-party transmission systems, the Pacific AC Intertie, the California-Oregon Transmission Project (COTP), and the Los Banos-Gates Transmission Upgrade Project (Path 15). Congress authorized SNR's participation in the Pacific AC Intertie for the purpose of importing power from the Pacific Northwest. COTP rights were acquired pursuant to Public Laws 98-360 and 99-88, primarily for the purpose of delivering power to the United States Department of Energy Laboratories and wildlife refuges in California. Path 15 upgrade rights were also acquired pursuant to Public Laws 98-360 and 99-88. Long-term use of the Pacific AC Intertie, CVP and COTP by third parties is restricted under existing contracts. SNR has turned over operational control of its Path 15 upgrade rights to the CAISO. Therefore, the CAISO, or its successor will offer transmission service on Path 15. SNR is a member of the WECC.

The SNR does not operate a Control Area and as such may be unable to provide some or all of the services under the Tariff, including, but not limited to, certain Ancillary Services.

SNR participates in the CAISO EIM as a sub-Balancing Authority Area. Transmission Service provided under the Tariff related to SNR's participation in the EIM, pursuant to Attachment S, is solely in excess of the capability SNR requires for the delivery of long-term firm capacity and energy to SNR's project use and electric service customers.

### **Upper Great Plains Region**

The Upper Great Plains Region (UGPR) manages transmission facilities in the states of Montana, North Dakota, South Dakota, Nebraska, Minnesota, and Iowa which were constructed for the primary purpose of marketing power from the Pick-Sloan Missouri Basin Program - Eastern Division. The UGPR office is located in Billings, Montana. The UGPR manages a Control Area operations center in Watertown, South Dakota. The eastern portion of the UGPR system is operated in the Midwest Reliability Organization (MRO) region, or successor entity. The western portion of the system is operated in the WECC region.

UGPR joined the Southwest Power Pool, Inc. (SPP) as a transmission owner and transferred functional control of all of its eligible transmission facilities to SPP on October 1, 2015. Transmission service over those UGPR transmission facilities is available solely under the SPP Open Access Transmission Tariff (SPP Tariff). Ancillary services offered by UGPR as a Balancing Authority operator are also solely available under the SPP Tariff.

Any Transmission Customer taking service under this Tariff shall be subject to a Stranded Cost Charge payable to UGPR if such service is used for the transmission of power or energy that replaces wholly or in part, power or energy supplied by Western.

Stranded costs will be recovered only from a Transmission Customer who obtains transmission service under access rights granted through the Transmission Provider's compliance tariff developed pursuant to the Commission's Final Order Nos. 888 and 888-A and other applicable Commission Orders and causes UGPR to incur stranded costs. Stranded costs will be recovered through the terms and conditions of a separate contract entered into by UGPR and the Transmission Customer.

## **ATTACHMENT L**

### **Standard Large Generator Interconnection Procedures Including Standard Large Generator Interconnection Agreement**

[This Attachment L reserved for Western's Commission-approved Standard Large Generator Interconnection Procedures and Agreement, as filed with the Commission and posted on Western's OASIS.]



## **ATTACHMENT M**

### **Standard Small Generator Interconnection Procedures Including Standard Small Generator Interconnection Agreement**

[This Attachment M reserved for Western's Commission-approved Standard Small Generator Interconnection Procedures and Agreement, as filed with the Commission and posted on Western's OASIS.]

## ATTACHMENT N

### North American Energy Standards Board Wholesale Electric Quadrant Standards

The following North American Energy Standards Board Wholesale Electric Quadrant standards are incorporated by reference into Transmission Provider's Tariff as described in section 4.2 therein:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (with Final Action ratified on December 28, 2012);
- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012;
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;
- WEQ-008, Transmission Loading Relief – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas/Electric Coordination, WEQ Version 003, July 31, 2012;
- WEQ-012, Public Key Infrastructure (PKI), WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on Oct. 4, 2012);

- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012; and
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012.

## **ATTACHMENT O**

### **Procedures for Addressing Parallel Flows**

For the Transmission Provider's facilities in the Western Electricity Coordinating Council:

The North American Electric Reliability Corporation's ("NERC") Qualified Path Unscheduled Flow Relief for the Western Electricity Coordinating Council ("WECC"), Reliability Standard WECC-IRO-STD-006-0 filed by NERC in Docket No. RR07-11-000 on March 26, 2007, and approved by the Commission on June 8, 2007, and any amendments thereto, are hereby incorporated and made part of this Tariff. See [www.nerc.com](http://www.nerc.com) for the current version of the NERC's Qualified Path Unscheduled Flow Relief Procedures for WECC.

For the Transmission Provider's facilities in the Eastern Interconnection:

NERC's Transmission Loading Relief (TLR) Procedures originally filed March 18, 1998, which are now the mandatory Reliability Standards that address TLR, and any amendments thereto, on file and accepted by the Commission, are hereby incorporated and made part of this Tariff. See [www.nerc.com](http://www.nerc.com) for the current version of the NERC's TLR Procedures.

## **ATTACHMENT P**

### **Transmission Planning Process**

#### **Overview of Western's Transmission Planning Processes**

The Western Area Power Administration (Western) is a Federal agency under the Department of Energy that markets and transmits wholesale electrical power from 56 federal hydropower plants and one coal-fired plant. Western sells about 40 percent of regional hydroelectric generation in a service area that covers 1.3 million square miles in 15 states. To provide this reliable electric power to most of the western half of the United States, Western markets and transmits about 10,000 megawatts of hydropower across an integrated 17,000-circuit mile, high-voltage transmission system.

Western's customers include municipalities, cooperatives, public utility and irrigation districts, Federal and state agencies, investor-owned utilities (only one of which has an allocation of Federal hydropower from Western), marketers and Native American tribes. They, in turn, provide retail electric service to millions of consumers in Arizona, California, Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Texas, Utah and Wyoming.

Western's role in delivering power also includes managing 10 different rate-setting systems. These rate systems are made up of 14 multipurpose water resource projects and one transmission project. The systems include Western's transmission facilities along with power generation facilities owned and operated primarily by the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers and the U.S. State Department's International Boundary and Water Commission. Western sets power rates to recover all costs associated with our activities, as well as the Federal investment in the power facilities (with interest) and certain costs assigned to power from repayment, such as aid to irrigation development.

Western employees sell power and transmission service, operate transmission and provide maintenance and engineering services. These duty locations include Western's Headquarters Office in Lakewood, Colo., and four regions with offices in Billings, Mont.; Loveland, Colo.; Phoenix, Ariz.; and Folsom, Calif. Western also markets power from the Management Center in Salt Lake City, Utah, and also manages Upper Great Plains Region system operations and maintenance from offices in Bismarck, N.D.; Fort Peck, Mont.; Huron, S.D. and Watertown, S.D.

Since its inception on December 21, 1977, Western and its employees have been dedicated to providing public service, including promoting environmental stewardship, energy efficiency and renewable energy and implementing new technologies to ensure its transmission system is the most reliable possible.

Western's Attachment P is divided into Part I and Part II – Part I outlines the transmission planning process Western uses in the Upper Great Plains Region (UGPR) on both the Eastern

and Western Interconnections, while Part II outlines the process used in the remaining Western regions in the Western Interconnection.

Western's transmission planning process is based on three core objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

Western's transmission planning process is intended to facilitate a timely, coordinated and transparent process that fosters the development of electric infrastructure that maintains reliability and meets Network load growth, so that Western can continue to provide reliable low cost electric power to its customers.

The transmission planning process conducted by Western includes a series of open planning meetings that allow anyone, including, but not limited to, network and point-to-point transmission customers, interconnected neighbors, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders, input into and participation in all stages of development of Western's transmission plan.

### **PART I - Upper Great Plains Region**

Western's Upper Great Plains Region (UGPR) joined the Southwest Power Pool, Inc. (SPP) as a transmission owner and transferred functional control of all of its eligible transmission facilities to SPP on October 1, 2015. Transmission service over those UGPR transmission facilities is available solely under the SPP Open Access Transmission Tariff (SPP Tariff). SPP is the Transmission Provider for UGPR's transmission facilities under the SPP Tariff and the UGPR transmission system is included in the SPP Transmission Planning Process under Attachment O of the SPP Tariff.

### **PART II – Western Interconnection of Western's Rocky Mountain, Desert Southwest and Sierra Nevada Regional Offices**

Western coordinates its transmission planning with other transmission providers and stakeholders in the Rocky Mountain – located in Loveland, CO, Desert Southwest – located in Phoenix, AZ, and Sierra Nevada - located in Folsom, CA, Regional Offices, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission Planning (SWAT) group, the Colorado Coordinated Planning Group (CCPG), the Sierra

Subregional Planning Group (SSPG), membership in WestConnect<sup>1</sup>, membership in the Western Electricity Coordinating Council (WECC), and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS).

Three subregional planning groups (SPG) operate within the WestConnect footprint: SWAT, CCPG and SSPG. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement), dated May 23, 2007 (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)). Western is a signatory to this Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection region level.

## 1.0 Western Transmission Planning

### 1.1 Western Planning Process.

Participation in Western's planning process is open to all affected parties, including but not limited to all transmission and interconnection customers, state authorities, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders.

#### 1.1.1 Confidential or Proprietary Information

Western's transmission planning studies may include base case data that are WECC proprietary data or classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC). A stakeholder must hold membership in or execute a confidentiality agreement with WECC (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-)

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<sup>1</sup> WestConnect was formed under a memorandum of understanding (MOU) that has been entered into by 13 transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market stakeholders, and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Current parties to the WestConnect MOU are: Arizona Public Service Company, El Paso Electric Company, Imperial Irrigation District, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Sacramento Municipal Utility District, Salt River Project, Southwest Transmission Cooperative, Transmission Agency of Northern California, Tri-State Generation and Transmission Association, Tucson Electric Power Company, and Western Area Power Administration.



[Process.htm](#)) in order to obtain requested base case data from Western. A stakeholder may obtain transmission planning information classified as CEII from Western upon execution of a confidentiality agreement with Western.

#### 1.1.2 Overview

Western's transmission planning process consists of an assessment of the following needs:

- (a) Provide adequate transmission to serve Firm Electric Service (FES) customers.
- (b) Where feasible, identify alternatives such as demand response resources that could meet or mitigate the need for transmission additions or upgrades.
- (c) Access adequate resources in order to reliably and economically serve FES and network loads.
- (d) Provide for interconnection for new generation resources.
- (e) Coordinate new interconnections with other transmission systems.
- (f) Accommodate requests for long-term transmission access.

#### 1.1.3 Western's Transmission Planning Cycle

- (a) Calendar Year Planning Cycle. Western conducts its transmission planning on a calendar year cycle for a ten year planning horizon.
- (b) Annually Updated Ten Year Plan. Western updates its ten year plan annually and publishes an annual Ten Year Transmission Plan document typically in November.

#### 1.1.4 Transmission Customer's Responsibility for Providing Data

- (a) Use of Customer Data. Western uses information provided by its transmission customers to, among other things; assess network load and resource projections (including demand response resources), transmission needs, in-service dates to update regional models used to conduct planning studies.
- (b) Submission of Data by Network Transmission Customers. Network transmission customers shall supply information on their ten year projected network load and network resources (including

demand response resources) to Western on an annual basis. Western requires that this information be submitted electronically to Western Regional Office Contact e-mail address at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) by March 15 each year.

- (c) Submission of Data by Other Transmission Customers. To maximize the effectiveness of the Western planning process, it is essential that all other transmission customers provide their ten year needs in the form of relevant data for inclusion in the Western transmission planning process. Western requires that this information be submitted electronically to Western Regional Office Contact e-mail address at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) by March 15 each year. This will facilitate inclusion of transmission customer data in the planning process for the annual transmission plan.
- (d) Transmission Customer Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data submitted by network transmission customers and other transmission customers should include for the ten year planning horizon:
  - i. Generators – planned additions or upgrades (including status and expected in-service dates) and planned retirements.
  - ii. Demand response resources – existing and planned demand resources and their impacts on peak demand.
  - iii. Network customers – forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
  - iv. Point-to-point transmission customers – projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
- (e) Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to Western of material changes in any of the information previously provided related to the transmission customer's load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect Western's ability to provide service.

### 1.1.5 Types of Planning Studies

- (a) Economic Planning Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: ( i) the location and magnitude of the congestion, ( ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, ( iii) the associated costs of congestion ( iv) the costs associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. All economic planning studies will be performed either by a sub-regional planning group or TEPPC, and will utilize the TEPPC public data base.
- (b) Reliability Studies. Western will conduct reliability planning studies to ensure that all transmission customers' requirements for planned loads and resources are met for each year of the ten year planning horizon, and that all NERC, WECC, and local reliability standards are met. These reliability planning studies will be coordinated with the other regional transmission planning organizations through the SWAT, CCPG, and SSPG studies.

### 1.1.6 Economic Planning Study Requests (See Flow Chart Attached as Exhibit 1)

Requesting Economic Planning Studies. Any Western transmission customer or other stakeholder, including transmission solutions, generation solutions and solutions utilizing demand response resources ("Requester") may submit a study request for an economic planning study directly to Western or TEPPC. All requests must be electronically submitted to Western at Western Regional Office Contact e-mail address at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm). Western will not perform economic planning studies but will coordinate the performance of such studies with TEPPC. The economic planning study cycle will be that of the TEPPC process

- (a) Process for Handling Economic Transmission Planning Study Requests by Western. Western shall ensure that any economic planning study requests are properly handled under this Attachment P by:
  - i. TEPPC Master List. Forwarding the Requestor to TEPPC for inclusion in the TEPPC Master List of economic planning

studies for the Western Interconnection and for consideration by TEPPC as a priority request. See Western Attachment P Hyperlinks List

([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).

- (b) Process for Handling Economic Study Requests Received by TEPPC. TEPPC will review economic planning study requests received from Requesters directly or from Western. TEPPC shall review such study requests during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic planning studies. Western will participate in the TEPPC prioritization process and provide input as to whether a study request should be included in the TEPPC study plan. The Requester is also encouraged to participate and provide input in the TEPPC prioritization process. For more detail regarding the TEPPC economic planning study process, see the executive summary overview of the TEPPC Transmission Planning Protocol. See Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).
- (c) Low Priority Economic Study Requests. If TEPPC determines, after reviewing through an open stakeholder process, that the requested economic planning study is not a priority study, the Requester may have a third party perform the economic planning analysis at the Requester's expense. The Requester will have use of the TEPPC economic study data base and Western will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.
- (d) Clustering Local Priority Economic Planning Studies. TEPPC may determine that any number of Requesters' economic planning study requests should be studied together with other requests.
- (e) Cost Responsibility for Economic Planning Studies
  - i. Priority and Non-Priority Local Economic Planning Studies. Western cannot fund any Priority and Non-Priority local economic planning studies due to its spending authorization being contingent upon Congressional Appropriations. In the event that Western is requested to perform an economic planning study, Western will, at the Requesters expense, provide its assistance in having a third party perform the economic planning study. The Requester will have use of the TEPPC economic study data base and Western will support

the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.

- ii. Priority Regional Economic Planning Studies. Regional economic studies are performed by TEPPC and funded by WECC.

(f) Exchange of Data Unique to Economic Planning Studies

- i. All data used for its economic planning studies from the TEPPC data base.
- ii. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.
- iii. All requests made to Western for economic planning studies and responses to such requests shall be posted on the Western OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)), subject to confidentiality requirements.

- (g) Western Point of Contact for Study Requests. Western will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying economic planning studies. See Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).

1.1.7 Stakeholder Participation in Western Study Plans and Planning Results. Western will hold a public planning meeting to review and discuss its transmission study plans and planning results (see Part II Section 1.2.2 below).

1.1.8 Western Study Criteria and Guidelines. Requesters should refer to the Western Planning Criteria document for Western planning criteria, guidelines, assumptions and data. The Western Planning Criteria are posted on the OASIS. See Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).

1.1.9 Western and Stakeholder Alternative Solutions Evaluation Basis. Western's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Part II

Section 1.1.4 of this Attachment P), including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by Western or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with State or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.

- 1.2 Open Public Planning Meetings. Western will conduct at least two open public planning meetings each year, in coordination with four SWAT open public transmission planning meetings, including one joint meeting with CCPG and SSPG that will allow and encourage customers, interconnected neighbors, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders to participate in a coordinated, nondiscriminatory process for development of Western's transmission plan.

- 1.2.1 Purpose and Scope. Western's open public transmission planning meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to Western during all stages of its transmission planning. These public transmission planning meetings will serve to:

- (a) Provide a forum for open and transparent communications among area transmission providers, customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other interested stakeholders;
    - (b) Promote discussion of all aspects of Western's transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
    - (c) Provide a forum for Western to understand better the specific electric transmission interests of all stakeholders.

### 1.2.2 Public Planning Meeting Process.

- (a) Open\_Stakeholder\_Meetings. All public transmission planning meetings will be open to all stakeholders.
- (b) Planning\_Meeting Schedule. Western will establish its public planning meeting schedule as needed, but no less than twice annually.
- (c) Meeting Purpose. Meetings will be conducted to (i) allow Western to maximize its understanding of its customers' forecast needs for Western's transmission system; (ii) offer customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders an opportunity to be informed about, offer input and advice into, Western's transmission system and planning process, as well as to propose alternatives for any upgrades identified by Western; (iii) review study results; and (iv) review transmission plans.
- (d) Coordination with SWAT, CCPG and SSPG. Western's local transmission planning process will be coordinated with the SPGs through quarterly planning meetings described in more detail below (see Part II Section 2.2.7).
- (e) Posting of Meeting Notices. All meeting notices, including date, time, place and draft meeting agenda, will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>), and distributed to Western customer 30 days prior to the public planning meeting.
- (f) Posting of Study Plans and Planning Results. Study plans and planning results will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>), and distributed to Western's customers two weeks prior to the public planning meeting.
- (g) Meeting Process. At the public planning meetings, Western will (i) review its transmission planning process and current study plan with stakeholders; (ii) request stakeholder review of the current study plan; (iii) provide an opportunity for comment on any aspect of its transmission planning process; (iv) invite the submittal of



transmission study requests from stakeholders for review and discussion; and (v) provide updates on its planned projects. During the meeting, and for fifteen (15) calendar days following the meeting, all stakeholders and interested parties will be encouraged to provide Western with any comments on the study results presented in the public meeting. The final local study results and study plan will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>).

- (h) Electronic Input and Comments. Stakeholders and interested parties are also encouraged to provide input, comments, advice and questions on Western's transmission planning process at any time by sending e-mails to Western Regional Office Contact e-mail address at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>.
- (i) Public Planning Meeting Agenda.
  - i. It is anticipated that in the 2<sup>nd</sup> Quarter meetings, Western will review information on loads, resources (including demand response resources) and other needs received by March 15 from its transmission customers pursuant to Part II Sections 1.1.4(b) and (c) for inclusion in a draft study plan.
  - ii. It is anticipated that in the 4<sup>th</sup> Quarter meetings, Western will review planning study requests received by each Regional Office pursuant to Part II Section 1.1.6 and present a draft of its ten year plan for stakeholder review and comment.
  - iii. This schedule may be modified to coordinate with the subregional and regional transmission planning processes, subject to posting on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>).
- (j) Western Customer Distribution List. All existing Western customers, network and point-to-point, will be included on the distribution list and actively notified via e-mail of all upcoming public planning meetings. Any other stakeholder, including but

not limited to, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, wanting to be included on Western's e-mail distribution list should submit its information to Western's Point of Contact at Western Regional Office Contact e-mail address at

[www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)  
<<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>.

- (k) Posting of Meeting Documents. Western will post all meeting-related notes, documents and draft or final reports on its OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at

[www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)  
<<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>).

- (l) Posting of Public Documents. In order to permit all stakeholders access to the information posted on the OASIS and WestConnect websites, only public information will be shared, and public business conducted, in the open public planning meetings.

- 1.3 Ten Year Transmission System Plan. Each year Western uses the planning process described in Part II Section 1.1 above to update its Ten Year Transmission System Plan. The Ten Year Transmission System Plan identifies all of its new transmission facilities, 115 kV and above, and all facility replacements/upgrades required over the next ten years to reliably and economically serve its loads.

## 2.0 Subregional and Regional Coordination

Regional Planning and Coordination at the WestConnect-SWAT,-CCPG and-SSPG subregional level.

- 2.1 Overview. Western is a party to the WestConnect STP Project Agreement (see Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm))), and is actively engaged in the SWAT, CCPG and SSPG planning groups. The WestConnect footprint, which includes the regions covered by SWAT, CCPG and SSPG, encompasses the states of Arizona, Colorado, New Mexico, Nevada, and parts of California, Texas, and Wyoming. Western submits its transmission plans to its relevant subregional transmission planning group as required for inclusion in and coordination with the SPG's transmission plan. Western actively participates in the SPG transmission planning process to ensure that Western's data and assumptions are coordinated with the subregional plan. The WestConnect

planning manager will ensure that the subregional transmission plan is coordinated to produce the WestConnect Transmission Plan.

## 2.2 The Subregional Transmission Planning Process.

- 2.2.1 SWAT,-CCPG and SSPG's Role. Each SPG tasked with bringing transmission planning information together and sharing updates on active projects within the various subregions. The SPG's provide an open forum where any stakeholder interested in the planning of the transmission system in each footprint including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, can participate and obtain information regarding base cases, plans, and projects and to provide input or express its needs as they relate to the transmission system. SWAT, CCPG and SSPG do not conduct economic planning studies.
- 2.2.2 Membership. The subregional transmission planning groups are comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities. Membership is voluntary and open to all interested stakeholders including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources. Western will participate in SWAT, CCPG and SSPG and relevant SPG subcommittees and work groups and will submit its Ten Year Transmission Plans to the relevant work groups. Western's Ten Year Transmission Plans will then be incorporated with the SWAT, CCPG and SSPG subregional transmission plans in accordance with the WestConnect STP Project Agreement. See Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)). Western will incorporate any applicable information, data or study results from SWAT, CCPG or SSPG into its planning process.
- 2.2.3 Subregional Coordination. The SPG's role is to promote subregional transmission planning and development and to ensure that all of the individual transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs.
- 2.2.4 Open Subcommittee Forum. All SPG subcommittee planning groups provide a forum for entities including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, within each respective region, and any other interested parties, to determine and study the needs of the region as a whole.

- 2.2.5 Forum for Project Sponsors. The SPGs also provide a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects, coordination with other projects, and project participation, including ownership from other interested parties.
  - 2.2.6 Subregional Open Planning Meetings. All SPG transmission planning process for the high voltage and extra high voltage system is open to all transmission customers and stakeholders wishing to participate. Western will assist transmission customers and stakeholders interested in becoming involved in the subregional transmission planning process including sponsor of transmission solutions, generation solutions, and solutions utilizing demand resources, by directing them to appropriate contact persons and websites. All transmission customers and stakeholders are encouraged to bring their plans for future generators, demand resources, loads or transmission services to the SPG planning meetings.
  - 2.2.7 Meeting Agendas. The meeting agendas for the SPG's, WestConnect, Western and any other planning meetings scheduled in conjunction with the SPG meetings will be sufficiently detailed, posted on the WestConnect website (see Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm))) and circulated in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.
- 2.3 WestConnect's Role in the Subregional Transmission Planning Process.
- 2.3.1 WestConnect STP Project Agreement. Each WestConnect party is a signatory to the West Connect STP Project Agreement (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)) which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate subregional transmission planning among the WestConnect participants and the subregional planning groups (SWAT, CCPG, and SSPG), participate in the SWAT, CCPG and SSPG subregional transmission planning groups, as appropriate, and produce a WestConnect Transmission Plan. The WestConnect STP Project Agreement is also open for participation by other non-WestConnect transmission providers that participate in the transmission planning activities of SWAT, CCPG and SSPG or any other subregional transmission planning group that may form within the WestConnect footprint.
  - 2.3.2. WestConnect Objectives and Procedures for Regional Transmission Planning. Under the WestConnect Objectives and Procedures for

Regional Transmission Planning, Western, along with the other WestConnect STP Project Agreement participants, agrees to work through the SWAT, CCPG and SSPG planning processes to integrate its Ten Year Transmission Plans with the other WestConnect participant transmission plans into one ten year regional transmission plan for the WestConnect footprint by:

- (a) Actively participating in the subregional transmission planning processes, including submitting its respective expansion plan, associated study work and pertinent financial, technical and engineering data to support the validity of Western's plan;
- (b) Coordinating, developing and updating common base cases to be used for all study efforts within the SWAT, CCPG and SSPG planning groups and ensuring that each plan adheres to the common methodology and format developed jointly by WestConnect subregional planning groups for this planning purpose;
- (c) Providing funding for the WestConnect STP Project Agreement planning management functions pursuant to the WestConnect STP Project Agreement;
- (d) Retaining an independent facilitator to oversee the WestConnect STP Project Agreement process, ensure comparability among the subregional processes and perform the study work required to pull all the plans together;
- (e) Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
- (f) Posting detailed notices on all SWAT, CCPG and SSPG meeting agendas on the WestConnect website. See Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm).

2.3.3. WestConnect Planning Meetings. WestConnect hosts two open public stakeholder meetings for transmission planning per year, one in the 1<sup>st</sup> Quarter and one in the 4<sup>th</sup> Quarter.

2.3.4. WestConnect Role in Economic Planning. WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. WestConnect will not conduct economic planning studies.

2.4. Quarterly Schedule of Subregional and Local Transmission Planning Meetings. Western will coordinate with SWAT, CCPG and SSPG in order to assure that quarterly meetings are times in order to allow projects to escalate from local to subregional to regional councils in a timely fashion.

The proposed focus of the SPG meetings, WestConnect transmission planning meetings and Western public planning meetings will be:

2.4.1. 1st Quarter Meetings

SPG Meetings.

- Approve the final SPG reports for the previous year's study work.
- Approve the SPG study plans for the new year.

WestConnect Planning Annual Meeting (see Western Attachment P Hyperlinks List at [www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)).

- Present the WestConnect Ten Year Transmission Plan and WestConnect Transmission Planning Study Report to the Planning Management Committee.
- Recommend approval of the WestConnect Ten Year Transmission Plan by the WestConnect Steering Committee.
- Recommend approval of the WestConnect Transmission Planning Study Report by the WestConnect Steering Committee.
- Approve WestConnect study plans for the new year.
- Propose adjustments to the planning process or budget for the current year as necessary or appropriate.

2.4.2. 2nd Quarter Meeting

SPG Meetings.

- Present preliminary SPG study results.

- Determine additional SPG study sensitivities

#### Western Planning Stakeholder Meetings:

- Western reviews its transmission planning process and current study plan with transmission customers and stakeholders, and requests their review, comment and advice on any aspect of its transmission planning process. Additionally, Western reviews information on loads, resources and other needs received by March 31 from its transmission customers.

#### 2.4.3. 3rd Quarter Meeting

##### SPG Meetings.

- Annual Joint SWAT-CCPG-SSPG meeting. SWAT, CCPG and SSPG present current study results and approve key results, findings, and conclusions.
- SWAT specifically invites customer and stakeholder review, comment, advice and transmission study requests for the SWAT transmission planning process.

#### 2.4.4. 4th Quarter Meeting

##### SWAT Meeting:

- Present draft SPG reports for approval with modifications.
- Specifically invite the submittal of transmission study requests from stakeholders for inclusion in their respective study plans.

##### WestConnect Planning Workshop:

- Present each current year study supported by (i) final report or (ii) status summary report.
- Present each WestConnect transmission provider's draft ten year transmission plan. Present proposed study plans from SWAT, CCPG and SSPG.
- Discuss future study needs with input from
  - Study groups
  - TEPPC
  - Other subregional planning groups



- Stakeholders at large
- Draft the WestConnect Ten Year Transmission Plan.
- Draft the WestConnect Transmission Planning Study Report.

Western Planning Stakeholder Meeting:

- Western reviews its transmission planning process and current study plan with stakeholders, and requests stakeholder review, comment and advice on any aspect of its transmission planning process. Additionally, Western reviews planning study requests received and presents a draft of its ten year plan for stakeholder review and comment per each Regional Office calendar.

3.0. Coordination at the Western Interconnection Level

Western will coordinate its plan on a west-wide regional basis through the SPGs and WestConnect. WestConnect will coordinate its subregional plan with the other subregional plans in the Western Interconnection and at the TEPPC level.

3.1. Procedures for Regional Planning Project Review.

3.1.1. WECC coordination of reliability planning.

- (a) WECC develops the Western Interconnection-wide coordinated base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC approved base cases are used for study purposes by transmission planners, subregional planning groups, and other entities that have signed confidentiality agreements with WECC.
- (b) WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
- (c) WECC provides for coordination of planned projects through its Procedures for Regional Planning Project Review.
- (d) WECC's Path Rating Process ensures that a new project will have no adverse effect on existing projects or facilities.

3.1.2. WECC Open Stakeholder Meetings. Western Interconnection-wide economic planning studies are conducted by the WECC TEPPC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC-TEPPC Transmission Planning Protocol, including the TEPPC procedures for prioritizing and completing regional economic studies, is posted on the WECC website (see Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm))). Western participates in the region-wide planning processes, as appropriate, to ensure that data and assumptions are coordinated.

3.1.3. Role of WECC TEPPC. WECC TEPPC provides two main functions in relation to Western's planning process:

- (a) Development and maintenance of the west-wide economic planning study database.
  - i. TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
  - ii. TEPPC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.
- (b) Performance of economic planning studies. TEPPC has an annual study cycle described in the WECC-TEPPC Transmission Planning Protocol (see Western Attachment P Hyperlinks List ([www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm](http://www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm))), during which it will update databases, develop and approve a study plan that includes studying transmission customer high priority economic study requests as determined by the open TEPPC stakeholder process, perform the approved studies and document the results in a report.

#### 4.0. Dispute Resolution

Western Interconnection Western Regional Offices adhere to the WECC Dispute Resolution process.

#### 5.0. Cost Allocation for New Transmission Projects

5.1. Western will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

5.1.1. Open Season Solicitation of Interest. Project sponsor announces project and actively or verbally solicits interest in the project through informational meetings, information posted on the project sponsor's website, and industry press releases. For any transmission project identified in a Western reliability study in which Western is the project sponsor, Western may elect to hold an "open season" solicitation of interest to secure additional project participants. Upon a determination by Western to hold an open season solicitation of interest for a transmission project, Western will:

- (a) Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- (b) Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- (c) Post information via WECC's planning project review reports
- (d) Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

5.1.2. Western Coordination within a Solicitation of Interest Process.

Western, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into Western's Ten Year Transmission Plan any other planned project on or interconnected with Western's transmission system.

5.1.3 Western Projects without a Solicitation of Interest.

Western may elect to proceed with small and/or reliability transmission projects without an open season solicitation of interest, in which case

Western will proceed with the project pursuant to its rights and obligations as a transmission provider.

5.1.4 Allocation of Costs.

(a) Proportional Allocation.

For any transmission project entered into pursuant to an open season solicitation process, project costs and associated transmission rights, will generally be allocated proportionally to project participants' respective ownership shares, subject to a negotiated participation agreement. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant. Nothing in this section precludes project participants from utilizing another cost allocation methodology, provided, all project participants agree to the alternative.

(b) Economic Benefits or Congestion Relief.

For a transmission project wholly within Western's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

(c) Western Rate Recovery.

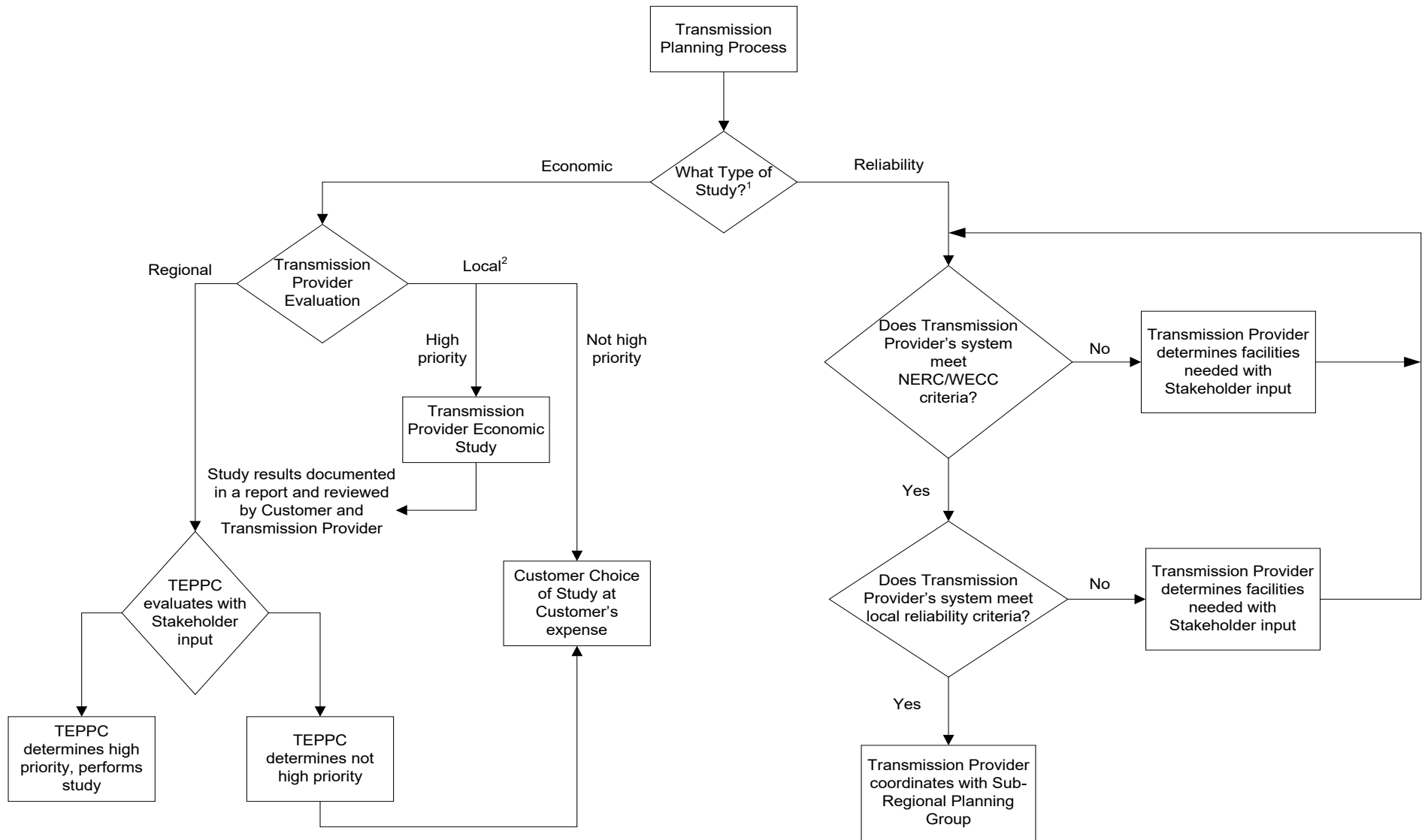
Notwithstanding the foregoing provisions, Western will not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in its transmission rates.

(d) Exclusions.

The cost for transmission projects undertaken in connection with requests for interconnection or transmission service on Western's transmission system, which are governed by existing cost allocation methods within Western's OATT, will continue to be so governed and will not be subject to the principles of this section 5.1.

# Exhibit 1

Attachment P



1. Generator Interconnection Request studies are performed pursuant to the Large Generator Interconnection Procedure contained in the Transmission Provider's Open Access Transmission Tariff (OATT). Transmission Service Requests are also performed pursuant to OATT procedures.

2. All requests for economic planning studies received by the Transmission Provider are forwarded to TEPPC for inclusion in the TEPPC Master List. TEPPC will evaluate only those requests that have regional impacts.

## ATTACHMENT Q

### Creditworthiness Procedures

#### 1.0 OVERVIEW OF CREDITWORTHINESS POLICY

##### 1.1 Introduction.

1.1.1 Application of Policy. For the purpose of determining the ability of the Transmission Customer to meet its obligations, the Transmission Provider will consistently apply credit review procedures to evaluate the Transmission Customer's credit risk in accordance with standard commercial practices. In addition, the Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement financial assurance(s) to meet its responsibilities and obligations.

1.1.2 Creditworthiness Process. The creditworthiness procedures consist of data collection (quantitative, qualitative information), credit evaluation, credit score determination, and overall determination of the Transmission Customer's creditworthiness. The Transmission Customer shall provide information to the Transmission Provider as part of its data collection process and as part of the Transmission Customer's Credit Application, or as part of the periodic review to continue receiving services. For credit qualification purposes, prior to the Transmission Customer receiving service, there must be a completed Credit Application and a creditworthiness evaluation.

##### 1.2 Overview of Procedures.

1.2.1 Entity Definition. In order to differentiate Transmission Customers and clarify determination of a Transmission Customer's credit requirements, the Transmission Customer shall be defined as either a new or existing Public Power Entity or Non-Public Power Entity for calculating credit scores. A Public Power Entity shall be defined as a Transmission Customer that is a not-for-profit organization such as but not limited to municipalities, cooperatives, joint action agencies, Native American Tribes, or any other governmental entity. A Non-Public Power Entity shall be defined as any Transmission Customer that is not a Public Power Entity.

1.2.2 Review. The Transmission Provider shall conduct a creditworthiness review, outlined in Section 3.1 below, of the Transmission Customer using information provided by the Transmission Customer from the data collection process (Section 2.0) and upon its initial request for services

and thereafter pursuant to Section 4.1 or at the request of the Transmission Customer. Existing Transmission Customers with a timely payment history at the date of implementation of this policy will be deemed to have satisfied the creditworthiness requirements at that time and be subject to re-evaluation pursuant to Section 4.1. The Transmission Provider can require the Transmission Customer to provide or increase its provided financial assurances before service will be initiated or continued (Section 4.2)

- 1.2.3 Credit Score. The Transmission Provider shall use the creditworthiness procedures in Section 3.1.1 to establish a credit score for Non-Public Power Transmission Customers. Credit scores will not be calculated for existing Non-Public Power Transmission Customers with a timely payment history at the date of implementation of this policy. Credit scores for such Transmission Customers will be calculated if and when a re-evaluation is required pursuant to Section 4.1. Public Power Transmission Customers will not receive a credit score. Such Transmission Customers will instead be evaluated based on criteria outlined in Section 3.1.2.

## 2.0 DATA COLLECTION

### 2.1 Non-Public Power Entity.

A non-public power entity shall provide the following information to the Transmission Provider as part of the Transmission Provider's creditworthiness evaluation:

- 2.1.1 Agency Ratings. If available to the Transmission Customer, the senior unsecured long-term debt ratings assigned to the Transmission Customer by Standard & Poor's and/or Moody's Investor Service or any other similar bond rating agency, and the long-term issuer rating if the senior unsecured long-term rating is not available.
- 2.1.2 Financial Statements. The two (2) most recent quarters of financial statements signed by the company controller or other authorized company officer AND the two (2) most recent audited annual financial statements [including, but not limited to the balance sheet, income statement, statement of cash flows, management's discussion and analysis, report of independent auditor (audit opinion), and accompanying notes] of the Transmission Customer's Annual Report, 10K, 10Q, or 8K, as applicable.



- 2.1.3 Material Issues/Changes. Any pending information not incorporated in the financial reports that could materially impact the viability of the Transmission Customer including, but not limited to litigation, investigations, arbitrations, contingencies, liabilities, and affiliate relationships.
- 2.1.4 Additional Information. The Transmission Provider may request additional information as it determines is necessary and appropriate for the credit evaluation, and the Transmission Customer shall provide such additional information in a timely manner. At any time, the Transmission Customer may provide the Transmission Provider with additional information that the Transmission Customer considers relevant to the credit evaluation.

## 2.2 Public Power Entity.

A public power entity will answer questions specific to its financial viability on the Credit Application and be evaluated on the criteria set forth in Section 3.1.2.

## 2.3 Information Concerning Material Changes/Issues.

- 2.3.1 The Transmission Customer, public or non-public, must give the Transmission Provider notice of any material change in its financial condition within five (5) business days of the occurrence of the material change. A material change in financial condition includes but is not limited to the following:
  - (a) For entities that initially met the creditworthiness requirements under the policy and are not required to post financial assurance to the Transmission Provider, a change in financial condition that results in a downgrade of long or short-term debt rating by a major bond rating agency or being placed on a credit watch with negative implications by a major credit rating agency; or
  - (b) The resignation of key officer(s); or
  - (c) The issuance of a regulatory order or the filing of a lawsuit that could materially adversely impact current or future results; or
  - (d) A default in payment obligations; or
  - (e) Any new investigations, arbitrations, contingencies or changes in affiliate relationships; or
  - (f) The filing of a voluntary or involuntary petition to institute bankruptcy proceedings under the United States Bankruptcy Code

or any successor statute, or the filing to institute any proceedings under state law concerning actual or potential insolvency.

#### 2.4 Format.

All data must be submitted in the English language. Financial data must be denominated in U.S. currency and conform to U.S. Generally Accepted Accounting Principles (GAAP). The Transmission Provider will maintain any non-public data included in such information on a confidential basis.

#### 2.5 Consolidated Entity.

If the Transmission Customer's financial information is consolidated with other entities, the Transmission Customer must extract and submit as separate documents all data and information related solely to the Transmission Customer. This must include all financial information, associated notes, and all other information that would comprise a full financial report conforming to GAAP.

### 3.0 CREDIT EVALUATION

#### 3.1 Determining Creditworthiness.

##### 3.1.1 Non-Public Power Entities

In order to be found creditworthy, the Transmission Customer must meet the following standards:

- (a) The Transmission Customer is not in default of its payment obligations under the Tariff and has not been in persistent default under the provisions of the Tariff; and
- (b) The Transmission Customer is not on Western's subscribed rating service watch list; and
- (c) The Transmission Customer is not in default of any payment obligation to the Transmission Provider; and
- (d) The Transmission Customer is not in bankruptcy proceedings; and
- (e) The Transmission Customer meets credit score requirements consisting of the following quantitative and qualitative factors. The Transmission Customer shall receive a score for meeting or exceeding each qualitative or quantitative factor. A Non-Public Power Entity may receive a minimum score of zero (0) and a maximum score of six (6), six being best. One point will be awarded for each of the following items.

- i. Total Debt/Total Capital less than 70%.
- ii. EBIT coverage (Earnings Before Interest and Income Taxes/Interest Expense) greater than 1.5 times.
- iii. Current Ratio greater than 1.0.
- iv. Have Cash Flow from Operations to Total Debt (includes short-term debt, long-term debt, current portion of long-term debt, and off-balance sheet operating lease obligations) greater than 10%.
- v. Agency Ratings of investor grade or higher (e.g., S&P of BBB- and/or Moody's Baa3). Transmission provider will use the lower of the ratings if rated by multiple agencies.
- vi. Positive Payment Record with the Transmission Provider (if previous or existing Transmission Customer).

The Transmission Customer will be determined to be creditworthy and granted unsecured credit if it complies with the criteria above and receives a credit score of four (4) or higher.

### 3.1.2 Public Power Entities

Public Power Entities are considered creditworthy and granted unsecured credit if the following exist:

- (a) The Transmission Customer is not in default of its payment obligations under the Tariff and has not been in persistent default under the provisions of the Tariff; and
- (b) The Transmission Customer is not on Western's subscribed rating service watch list; and
- (c) The Transmission Customer is not in default of any payment obligation to the Transmission Provider; and
- (d) The Transmission Customer is not in bankruptcy proceedings; and
- (e) If the Transmission Customer or its guarantor is a federal, state or other governmental agency/entity and its financial obligations are backed by the full faith and credit of the United States, state or other governmental entity as applicable; and/or

- (f) The Transmission Customer has the ability to raise rates to cover outstanding obligations.

### 3.2 Notification.

The Transmission Provider shall notify the Transmission Customer whether it has been found to be creditworthy or whether relevant financial assurance is required within five (5) business days after: (a) receiving the Transmission Customer's applicant with all required information; (b) receiving the Transmission Customer's written request for re-evaluation of creditworthiness with all required information; or (c) determining that a change in creditworthiness status or change in financial assurance is required as determined by the rotational review or other reviews performed pursuant to Section 4.1.

The Transmission Provider shall, upon the Transmission Customer's written request, provide a written explanation of the basis for the Transmission Provider's determination via e-mail within five (5) business days for any: (a) non-creditworthy determination; (b) changes in creditworthiness status; or (c) changes in requirements for financial assurances.

### 3.3 Establishing Credit Limits.

If an entity is determined to be creditworthy no credit limit will be established. For non-creditworthy entities, the credit limit will equal five (5) months of total estimated service charges as determined by the Transmission Provider from time to time. If at any time the Transmission Provider determines according to these creditworthiness standards that the Transmission Customer is not able to fully support its credit exposure based solely on its financial viability, the Transmission Provider may require collateral be provided.

### 3.4 Secured Credit.

#### 3.4.1 Posting Collateral

If collateral is required by the Transmission Provider, the Transmission Customer will be asked to provide an acceptable form of collateral as defined in Section 3.4.3 below within 30 days of the Transmission Provider's request. No service to the Transmission Customer shall commence until this requirement is satisfied.

If service to the Transmission Customer already has commenced (existing Transmission Customer) and the Transmission Customer fails to provide the collateral as defined in Section 3.4.3 below and required by the Transmission Provider within five (5) business days of notification, the Transmission Customer will be deemed in default of its Service Agreement.

### 3.4.2 Required Amount of Collateral

Given the Transmission Provider's current billing practices and payment terms, the required amount of security will be based on the maximum total estimated service charge for five (5) months. This represents the potential value of services rendered prior to termination of service in the event of a default arising from a failure of nonpayment.

### 3.4.3 Acceptable Collateral

Acceptable collateral, totaling five (5) months of estimated service charges, includes:

- (a) Prepayment for service; or
- (b) An unconditional and irrevocable letter of credit as security to meet the Transmission Customer's responsibilities and obligations. If this form of collateral is used, it will comply with the requirements as stated in the Uniform Customs and Practice for Documentary Credits; or
- (c) A cash deposit; or
- (d) An irrevocable and unconditional corporate guaranty from an entity that satisfies the creditworthiness requirements.

## 4.0 RE-EVALUATION

### 4.1 Timeframe.

The Transmission Provider will review its credit evaluation for each Transmission Customer annually. Timely payments will be sufficient evidence for re-affirming the current credit arrangements, barring the reporting of any of the material changes outlined in Section 2.3. The Transmission Provider, at its sole discretion, may conduct additional reviews and updates of its credit evaluation in response to new facts or occurrences that may bear upon the Transmission Customer's creditworthiness due to material changes in financial condition of the Transmission Customer, or if the Transmission Customer fails to pay invoices from the Transmission Provider on time. These updates will follow the procedures set forth in Section 3.1 of this Attachment.

### 4.2 Change in Limit/Collateral.

As a result of the Transmission Provider's creditworthiness review or in response to the Transmission Customer's request for re-evaluation or the Transmission Customer's notice of any material change in its financial condition, the

Transmission Provider may adjust the Transmission Customer's credit limit and collateral requirements in accordance with Section 3.3 and Section 3.4, respectively. If required, additional collateral must be posted in accordance with Section 3.4.1.

The Transmission Customer may make reasonable requests for the Transmission Provider to re-evaluate the Transmission Customer's creditworthiness pursuant to the criteria detailed in Section 3.1.

## 5.0 RIGHT TO DRAW UPON FINANCIAL ASSURANCES UPON DEFAULT

The Transmission Provider shall have the right to liquidate, or draw upon, all or a portion of the Transmission Customer's form of financial assurance(s) in order to satisfy the Transmission Customer's total net obligation to the Transmission Provider upon a default. The Transmission Customer shall within five (5) business days replace any liquidated or drawn-upon financial assurances.

## 6.0 SUSPENSION OF SERVICE

### 6.1 Notification.

Notwithstanding any other provision of this Tariff, if the Transmission Customer fails to provide the entirety of required financial assurances when due under this Attachment, the Transmission Provider may suspend service to such Transmission Customer thirty (30) days after the Transmission Provider's notification to such Transmission Customer. The Transmission Provider will provide at least thirty (30) days written notice to the Commission before suspending service pursuant to this provision.

Any notices sent to the Transmission Customer and to the Commission pursuant to the Attachment may be sent concurrently.

### 6.2 Length of Suspension.

The suspension of service shall continue only for as long as the circumstances that entitle the Transmission Provider to suspend service continue.

### 6.3 Obligation to Pay.

A Transmission Customer is not obligated to pay for transmission service that is not provided as a result of a suspension of service.

## 7.0 CONTESTING CREDITWORTHINESS PROCEDURE DETERMINATIONS

The Transmission Customer may contest a determination by the Transmission Provider by submitting a written notice to the Transmission Provider explaining its reasons for

contesting the determination and include the name of a designated senior representative authorized to represent the Transmission Customer. The written notice of a dispute of a determination by the Transmission Provider under these Creditworthiness Procedures shall be referred to a designated senior representative of the Transmission Provider for resolution on an informal basis with the designated senior representative of the Transmission Customer as promptly as practicable. It is expected that a final written decision from the Transmission Provider will issued within thirty (30) days, or such other period as the Parties may agree upon by mutual agreement.



## WESTERN AREA POWER ADMINISTRATION CREDIT APPLICATION

Complete all sections of this form and submit by mail or e-mail to:

Western Area Power Administration

ATTN: Accounting and Reporting, Credit Applications (A8220)

P.O. Box 281213

Lakewood, CO 80228-8213

WesternCreditApplications@wapa.gov

Date: \_\_\_\_\_

Applicant Name (Customer): \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Type of Service Requested: \_\_\_\_\_

Expected Monthly Business: \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

DUNS Number: \_\_\_\_\_

Credit Rating (if applicable): \_\_\_\_\_

Credit Manager or Point of Contact: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

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Is your company a subsidiary or affiliate of another company? Yes \_\_\_ No \_\_\_

If Yes, please provide information on the related company:

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_

DUNS Number: \_\_\_\_\_

Does your company plan to establish credit with a guarantee from the related company listed  
above? Yes \_\_\_ No \_\_\_

If Yes, all required information necessary for credit qualification is needed from the company  
guaranteeing credit.

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**Public Power Entities (not-for-profit):**

Is your company a not-for-profit entity (governmental entity)? Yes \_\_\_\_ No \_\_\_\_

If your company is a not-for-profit entity, is it backed by the full faith and credit of a governmental entity (United States, state government or other government, as applicable)?  
Yes \_\_\_\_ No \_\_\_\_ If Yes, state type of governmental entity and provide evidence.

If your company is a not-for-profit entity, do you have the ability to raise rates to cover outstanding obligations? Yes \_\_\_\_ No \_\_\_\_

Provide any material issues/changes that could impact the viability of the Transmission Customer and/or the credit decision including, but not limited to, litigation, investigations, arbitrations, contingencies, liabilities and affiliate relationships which have occurred within the past year.

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**Non-Public Power Entities:**

To enable the Transmission Provider to conduct the proper analysis required to determine creditworthiness, the information below must be submitted with the Credit Application.

1. Rating agency reports (if applicable).
2. The most recent two quarters of financial statements signed by the company controller or other authorized company officer and the most recent two years of audited financial statements. Financial statements should include, but not be limited to:
  - a. Annual report;
  - b. Balance sheet;
  - c. Income statement;
  - d. Statement of cash flows;
  - e. Management's discussion and analysis;
  - f. Report of independent auditor and accompanying notes for the Annual report, 10K, 10Q or 8K, as applicable.
3. Material issues that could impact the viability of the Transmission Customer and/or the credit decision including, but not limited to, litigation, investigations, arbitrations, contingencies, liabilities and affiliate relationships which have occurred since the last audited financial statements.

Note: The Transmission Provider may request additional information as it determines is necessary and appropriate for the credit evaluation.

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## **ATTACHMENT R**

### **Provisions for the Western Energy Imbalance Service Market (WEIS Market) Administered by Southwest Power Pool, Inc. (SPP)**

#### **1.0 Definitions:**

The following definitions apply only to this Attachment R.

- 1.1 **Balancing Authority:** The responsible entity within the WEIS Market that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
- 1.2 **Balancing Authority Area:** The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
- 1.3 **CRCM:** The NERC registered JDTS Provider for WAPA's Colorado River Storage Project Management Center (CRSP MC) transmission facilities included in the Transmission System within the WEIS Market Footprint. Within the WEIS Tariff, the CRSP MC transmission facilities are also referred to as the Salt Lake City Area Integrated Projects (SLCA/IP) transmission.
- 1.4 **Dispatch Interval:** The interval for which SPP issues dispatch instructions for Western Energy Imbalance Service. The Dispatch Interval is currently 5 minutes.
- 1.5 **Joint Dispatch Transmission Service (or JDTS):** Intra-hour non-firm transmission service, as available, across certain transmission facilities of CRSP MC and RMR, as set forth in this Attachment R, which is used to transmit energy dispatched pursuant to the provisions of the WEIS Tariff.
- 1.6 **Joint Dispatch Transmission Service Customer (or JDTS Customer):** Transmission Customer receiving JDTS.
- 1.7 **Joint Dispatch Transmission Service Provider (or JDTS Provider):** A Market Participant that provides JDTS within the Balancing Authority Area of a Balancing Authority participating in the WEIS Market.
- 1.8 **LAPT:** The NERC registered JDTS Provider for WAPA's Rocky Mountain Region (RMR) Loveland Area Projects (LAP) transmission facilities included in the Transmission System within the WEIS Market Footprint.

- 1.9 Market Participant: An entity that generates, transmits, distributes, purchases, or sells electricity in the WEIS Market pursuant to the WEIS Tariff.
- 1.10 Operating Tolerance: The megawatt range of a WEIS Market Resource actual WEIS Market Resource output above and below the WEIS Market Resource's average Setpoint Instruction over the Dispatch Interval where the WEIS Market Resource will not be subject to an Uninstructed Resource Deviation Charge.
- 1.11 Setpoint Instruction: The real-time desired megawatt output signal calculated for a specific WEIS Market Resource by SPP's control system for a specified period.
- 1.12 Uninstructed Resource Deviation Charge: A Market Participant's charge associated with a WEIS Market Resource that is determined to have operated outside an acceptable Operating Tolerance relative to dispatch instructions in accordance with the WEIS Tariff.
- 1.13 Western Energy Imbalance Service (or WEIS): The service defined in Schedule 1 of the WEIS Tariff for the WEIS Market Footprint.
- 1.14 WEIS Market: The market for imbalance energy administered by SPP in the Western Interconnection.
- 1.15 WEIS Market Footprint: The loads and WEIS Market Resources that are located within the Balancing Authority Areas participating in the WEIS Market under the WEIS Tariff.
- 1.16 WEIS Market Resource: A resource defined pursuant to the WEIS Tariff.
- 1.17 WEIS Tariff: The Western Energy Imbalance Service Tariff including all schedules or attachments thereto, as amended from time to time and approved by the Commission.

## 2.0 Applicability:

This Attachment R shall apply to the CRSP MC's CRCM and/or RMR's LAPT transmission facilities included in the Transmission System when CRSP MC and/or RMR are participating in the WEIS Market, respectively. CRCM is the Transmission Provider for the CRSP MC transmission facilities within the WEIS Market Footprint. LAPT is the Transmission Provider for the Loveland Area Projects (LAP) transmission facilities within the WEIS Market Footprint. The Western Area Colorado Missouri (WACM) Balancing Authority is in the WEIS Market Footprint. In the WEIS Market Footprint, RMR administers transmission services under the Tariff for the NERC registered Transmission Providers: CRCM and LAPT.

This Attachment R applies to Transmission Customers in the CRCM and/or LAPT systems outlined above, when CRSP MC and/or RMR are participating in the WEIS Market, respectively.

Participation in the WEIS Market for CRSP MC or RMR shall begin on the later of the date that they join the WEIS Market under an executed Western Joint Dispatch Agreement (WJDA) and the date the WEIS Market goes live in production mode. Participation in the WEIS Market for CRSP MC or RMR shall only cease subsequently on the date that they withdraw from the WEIS Market by terminating their WJDA, or the date the WEIS Market itself is terminated.

### 3.0 Tariff Provisions Modified by WEIS Market Participation:

The following provisions in the Tariff are modified for Transmission Customers in portions of the Transmission System described in this Attachment R when the Transmission Provider is participating in the WEIS Market:

#### 3.1 Network Resources:

3.1.1 Notwithstanding the limitations in Sections 1.27, 30.1, 30.2, and 30.4 of the Tariff, Network Customers may also utilize Network Resources for purposes of fulfilling obligations under the WEIS Market, such as WEIS Market generation dispatch instructions. Notwithstanding the provisions in Section 28.6 of the Tariff, Network Customers may utilize JDTS for purposes of fulfilling obligations under the WEIS Market, such as WEIS Market generation dispatch instructions.

#### 3.2 Ancillary Services:

3.2.1 Notwithstanding the provisions in Sections 3.4 and 3.7 of the Tariff, where applicable, the rates and/or methodology related to Energy Imbalance Service and Generator Imbalance Service when CRSP MC and/or RMR are participating in the WEIS Market and the WEIS Market is providing such total ancillary services requirements for certain loads and generation within the Balancing Authority Area, are described in Schedules 4R and 9R, included in Addendums 1 and 3 to this Attachment R, respectively. When the WEIS Market is not providing such ancillary services, such rates and/or methodology related to Energy Imbalance Service and Generator Imbalance Service are described in Sections 3.4 and 3.7 of the Tariff, respectively.

#### 3.3 Real Power Losses:

3.3.1 Notwithstanding the provisions in Sections 15.7 and 28.5 of the Tariff, the requirements for replacing real power losses associated with the transmission service utilized for WEIS Market dispatch are set forth in Section 4.0(i) of this Attachment R.

### 4.0 Joint Dispatch Transmission Service:

Notwithstanding any limitations in Sections 14 through 16, 18, and 24 through 25 of the Tariff, the Transmission Provider, as the JDTS Provider, shall provide JDTS on the portions of the Transmission System in the CRSP MC's CRCM and/or RMR's LAPT systems included in the WEIS Market Footprint to a JDTS Customer commensurate with, and to accommodate, the energy dispatched within the WEIS Market, as set forth in the WEIS Tariff, as follows:

- (a) Term: JDTS shall be available on a real-time intra-hour basis.
- (b) Reservation Priority: JDTS is non-firm and shall be available from transfer capability in excess of that needed for Transmission Customers taking Transmission Service and Network Integration Transmission Service, respectively, under the Tariff.
- (c) Restrictions on the use of JDTS: JDTS may be used on the Transmission System included in the WEIS Market Footprint only for receipt or delivery of energy dispatched by SPP as administrator of the WEIS Market within a Balancing Authority Area in the WEIS Market pursuant to the provisions of the WEIS Tariff. The JDTS Customer shall not use JDTS for (i) off-system sales of capacity or energy not related to fulfilling obligations under the WEIS Market, such as WEIS Market generation dispatch instructions or (ii) direct or indirect provision of transmission service by the JDTS Customer to any third party.
- (d) Scheduling: JDTS Customers are not required to submit schedules for JDTS.
- (e) Curtailment of JDTS: The Transmission Provider reserves the right to curtail (or cause to be curtailed), in whole or in part, JDTS provided under this Attachment R for reliability reasons when an emergency or other unforeseen conditions threaten to impair or degrade the reliability of the Transmission System or the systems directly or indirectly interconnected with the Transmission Provider's Transmission System.
- (f) Transmission Provider's Limited Obligations to provide JDTS: The Transmission Provider shall have no obligation to plan, construct, or maintain its Transmission System for the benefit of any JDTS Customer.
- (g) Procedures for Arranging JDTS: JDTS does not need to be reserved by the JDTS Customer. No application or service agreement is required.
- (h) Compensation for JDTS: Rates for JDTS are provided in Schedule 8R (Joint Dispatch Transmission Service) included in Addendum 2 to this Attachment R.
- (i) Real Power Losses: Real power loss energy associated with JDTS due to WEIS Market dispatch is addressed in the settlement of imbalance energy pursuant to the WEIS Tariff.

#### 5.0 Other Provisions:

- 5.1      Unreserved Use: Unreserved Use will apply to the amount of actual metered generation in a Dispatch Interval, if any, which is in excess of the positive Operating Tolerance above a WEIS Market Resource's average Setpoint Instruction over such Dispatch Interval in accordance with the Transmission Provider's business practices. Any ancillary service charges that are applicable to such Unreserved Use shall apply.

## **Addendum 1 to Attachment R**

### **SCHEDULE 4R**

#### **Energy Imbalance Service (Within the Western Energy Imbalance Service Market Footprint)**

This Schedule 4R shall apply to the CRSP MC's CRCM and/or RMR's LAPT transmission facilities included in the applicable portions of the Transmission System when CRSP MC and/or RMR, respectively, are participating in the Western Energy Imbalance Service Market (WEIS Market) and the WEIS Market is providing such ancillary service to the Transmission Customer. When the WEIS Market is not providing such ancillary service, Schedule 4 shall apply pursuant to the provisions of Attachment R.

Within the Balancing Authority Area(s) in the WEIS Market Footprint, Energy Imbalance Service is provided when a difference occurs between the expected and the actual delivery of energy within such Balancing Authority Area(s) over a Dispatch Interval. All loads in the WEIS Market will be subject to settlement related to Energy Imbalance Service in the WEIS Market. SPP, as the WEIS Market administrator, will obtain and provide this service under the WEIS Market and will calculate and bill applicable charges and credits. The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area.

The Transmission Customer must either purchase this service from the Transmission Provider, purchase directly from SPP, as the WEIS Market administrator, or make comparable alternative arrangements, which may include arrangements with another entity participating in the WEIS Market who will purchase this service from the WEIS Market, or the use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation.

The Transmission System specific compensation for Energy Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for Energy Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Energy Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.



## **Addendum 2 to Attachment R**

### **SCHEDULE 8R**

#### **Joint Dispatch Transmission Service (For the Western Energy Imbalance Service Market)**

This Schedule 8R shall apply to the CRSP MC's CRCM and/or RMR's LAPT transmission facilities included in the applicable portions of the Transmission System when CRSP MC and/or RMR, respectively, are participating in the Western Energy Imbalance Service Market (WEIS Market).

The JDTS Customer shall compensate the Transmission Provider for JDTS pursuant to the Transmission System specific Joint Dispatch Transmission Service Rate Schedule attached to and made a part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges for JDTS upon written notice to the JDTS Customer. Any change to the charges to the JDTS Customer for JDTS shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the JDTS Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the JDTS Customer in accordance with the rate then in effect.

### **Addendum 3 to Attachment R**

#### **SCHEDULE 9R**

##### **Generator Imbalance Service (Within the Western Energy Imbalance Service Market Footprint)**

This Schedule 9R shall apply to the CRSP MC's CRCM and/or RMR's LAPT transmission facilities included in the applicable portions of the Transmission System when CRSP MC and/or RMR, respectively, are participating in the Western Energy Imbalance Service Market (WEIS Market) and the WEIS Market is providing such ancillary service to the Transmission Customer. When the WEIS Market is not providing such ancillary service, Schedule 9 shall apply pursuant to the provisions of Attachment R.

Within the Balancing Authority Area(s) in the WEIS Market Footprint, Generator Imbalance Service is provided when a difference occurs between the expected and the actual delivery of energy within such Balancing Authority Area(s) over a Dispatch Interval. All resources in the WEIS Market will be subject to settlement related to Generator Imbalance Service in the WEIS Market. SPP, as the WEIS Market administrator, will obtain and provide this service under the WEIS Market and will calculate and bill applicable charges and credits. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area.

The Transmission Customer must either purchase this service from the Transmission Provider, purchase directly from SPP, as the WEIS Market administrator, or make comparable alternative arrangements, which may include arrangements with another entity participating in the WEIS Market who will purchase this service from the WEIS Market, or the use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation.

The Transmission System specific compensation for Generator Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for Generator Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Generator Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## ATTACHMENT S

### CAISO Energy Imbalance Market Provisions for Sierra Nevada Region (SNR)

#### WAPA's Participation in EIM

Attachment S provides for participation of WAPA's Sierra Nevada Region (SNR) in the California Independent System Operator Corporation's (CAISO) Western Energy Imbalance Market (EIM). Attachment S is not applicable for transactions occurring outside of SNR.

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## 1 Definitions

The following definitions apply only to this Attachment S.

- 1.1 Balancing Authority (BA): The responsible entity that integrates resource plans ahead of time, maintains load Interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.
- 1.2 Balancing Authority Area (BAA): For the purpose of this Tariff, the term Balancing Authority Area shall have the same meaning as "Control Area".
- 1.3 Balancing Authority of Northern California (BANC): A joint powers authority that provides BA and other services to its members and other entities within the BAA. Members/entities of BANC may in turn provide Transmission Service to customers.
- 1.4 BANC BAA: Refers to the BAA operated by BANC. WAPA is a Sub-BAA and Transmission Provider within the BANC BAA.
- 1.5 BANC EIM Entity BAA: As used in its concatenated form in the CAISO Tariff or this Tariff, shall include the transmission system that is located within the BANC BAA of the BANC EIM Entity and is represented by E-Tags, an area control error calculation, and revenue quality metering.
- 1.6 CAISO: A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.
- 1.7 CAISO BAA or CAISO Controlled Grid: The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO's operational control.
- 1.8 Dispatch Instruction: An instruction by the MO for an action with respect to a specific EIM Participating Resource for increasing or decreasing its energy supply or demand.
- 1.9 Dispatch Operating Target: The expected operating point, in MW, of an EIM Participating Resource that has received a Dispatch Instruction from the MO. For purposes of Attachment S of this Tariff, the Dispatch Operating Target means the change in MW output of an EIM Participating Resource due to an EIM bid being accepted and the EIM Participating Resource receiving a Dispatch Instruction. The Dispatch Operating Point is expressed either as a negative MW quantity for the downward movement of generation, or a positive MW quantity for the upward movement of generation.
- 1.10 Dynamic Transfer: The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting

(including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

- (a) Dynamic Schedule: A telemetered reading or value that is updated in real time and used as a schedule in the Automatic Generation Control (AGC)/Area Control Error (ACE) equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or
  - (b) Pseudo-Tie: A functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.
- 1.11 E-Tag: An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).
- 1.12 EIM Area: The combination of the BANC EIM Entity BAA, the CAISO BAA, and the BAAs of other EIM Entities in the western interconnection.
- 1.13 EIM Entity: A BA that enters into the MO's EIM Entity Agreement to enable the EIM to occur in its BAA. BANC is the EIM Entity for the BANC EIM Entity BAA. For the purpose of this Attachment S, the EIM Entity is the BANC EIM Entity or the entity selected by the BANC EIM Entity who is certified by the MO. WAPA SNR participates in the CAISO Western EIM under the BANC EIM Entity.
- 1.14 EIM Entity Scheduling Coordinator: The BANC EIM Entity or the entity selected by the BANC EIM Entity who is certified by the MO and who enters into the MO's EIM Entity Scheduling Coordinator Agreement.
- 1.15 EIM Participation Agreement (PA): The agreement between BANC and the Transmission Provider (and, in the future, other entities that wish to participate in the EIM through BANC) that establishes respective rights, obligations, and procedures related to EIM participation, as amended from time to time within the BANC BAA.
- 1.16 EIM Participating Resource: A resource or a portion of a resource: (1) that meets the Transmission Provider's eligibility requirements; (2) has been certified by the BANC EIM Entity for participation in the EIM; and (3) for which the generation owner and/or operator enters into the MO's EIM Participating Resource Agreement and any agreements as may be required by BANC and/or the BANC EIM Entity.

- 1.17 EIM Participating Resource Scheduling Coordinator: An entity with one or more BANC EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more BANC EIM Participating Resource(s), that is certified by the MO and enters into the MO's EIM Participating Resource Scheduling Coordinator Agreement.
- 1.18 EIM Transfer: The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between the BANC EIM Entity BAA and the CAISO BAA; (2) between the BANC EIM Entity BAA and another EIM Entity BAA; (3) between the CAISO BAA and an EIM Entity BAA; or (4) between BANC Sub-BAAs and load serving entities using transmission capacity available in the EIM.
- 1.19 Imbalance Energy: The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.
- 1.20 Interconnection Customer: Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation Interconnection Service pursuant to Attachments L or M of this Tariff.
- 1.21 Instructed Imbalance Energy (IIE): Settlement charges incurred by the Transmission Provider on behalf of Transmission Customers for instructed deviations, such as those that occur due to operational adjustments to Transmission Customer interchange schedules and Manual Dispatch.
- 1.22 Interchange: E-Tagged energy transfers from, to, or through BAAs not including EIM Transfers.
- 1.23 Intrachange: E-Tagged energy transfers within the BANC BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.
- 1.24 Manual Dispatch: An operating order issued by the EIM Entity or Transmission Provider to a Transmission Customer with an EIM Participating Resource, outside of the EIM optimization, when necessary to address reliability or operational issues in the Transmission Provider's Sub-BAA or BANC EIM Entity BAA that the EIM is not able to address through economic dispatch and congestion management.
- 1.25 Market Operator (MO): The entity responsible for operation, administration, settlement, and oversight of the EIM. The CAISO is the current MO of the EIM.
- 1.26 MO Tariff: Those portions of the MO's approved tariff, as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.
- 1.27 Operating Hour: The hour when the EIM runs and energy is supplied to load.



- 1.28 Resource Plan: The combination of load, resource, Interchange and Intrachange components of the Transmission Customer Base Schedule, ancillary services base schedules, and bid ranges submitted by EIM Participating Resources.
- 1.29 Sub-Balancing Authority Area (Sub-BAA): An electric power system operating within a host BAA that is bounded by meters and is responsible for BAA-like performance of generation, load and transmission. SNR is a Sub-BAA within the BANC BAA.
- 1.30 Transmission Customer Base Schedule: An energy schedule that provides Transmission Customer hourly-level forecast data and other information used as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff is synonymous with the term "EIM Participant Base Schedule" used in the EIM Entity's business practices, and may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to the EIM Entity's business practices) or any individual components of such schedule.
- 1.31 Uninstructed Imbalance Energy (UIE): Settlement charges incurred by the Transmission Provider on behalf of Transmission Customers due to uninstructed deviations of supply or demand.
- 1.32 WAPA Sub-BAA Transmission Owner: A transmission owner, other than the Transmission Provider, who owns transmission facilities within the WAPA SNR Sub-BAA.

## 2 General Provisions – Purpose and Effective Date

This Attachment S should be read in conjunction with the EIM PA and any prescribed business practices and/or procedures of the Transmission Provider and EIM Entity. Under this Tariff, SNR's participation in EIM is as a Transmission Provider and Sub-BAA under BANC. SNR is not an EIM Entity. Therefore, the provisions of SNR's participation in EIM under this Attachment S are limited and dependent on the EIM implementation and participation decisions of BANC as the EIM Entity. Attachment S is not intended to bind BANC as the EIM Entity. The EIM Entity retains the responsibilities related to establishing respective rights, obligations, and procedures related to EIM participation within the BANC BAA as established through its EIM PA, including requirements for resource registration as described in Section 3 of this Attachment S.

Attachment S shall be in effect for as long as the Transmission Provider participates in EIM through the BANC EIM Entity and until all final settlements are finalized resulting from such implementation or termination. The provisions of Attachment S are subject to change based on changes imposed on the Transmission Provider by the EIM Entity due to modifications of the BANC EIM participation model. Such changes that impact the provisions contained within this Attachment S will be managed through WAPA's Tariff revision process.

Attachment S shall apply to:

- (a) Unless otherwise provided by a legacy agreement, all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III of this Tariff or Attachments L and M of this Tariff;
- (b) All Transmission Customers with legacy agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of this Tariff and/or this Attachment S in particular; and
- (c) The Transmission Provider's use of the transmission system for service to Native Load Customers, excluding statutory load obligations as defined under Attachment K to this Tariff.

To the extent an Interconnection Customer controls the output of a generator located in the Transmission Provider's Sub-BAA, the Transmission Provider may require the Interconnection Customer to comply with a requirement in this Attachment S that on its face applies to a Transmission Customer to the extent that the Transmission Provider makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment S than any Transmission Customer.

Attachment S shall work in concert with the provisions of the EIM Entity's EIM PA and any successor or additional agreement(s) required by the EIM Entity, EIM Entity EIM business practices, and the MO Tariff and business practices implementing the EIM to support operation of the EIM. To the extent that this Attachment S is inconsistent with a provision in the remainder of this Tariff with regard to the EIM Entity's administration of the EIM, this Attachment S shall prevail.

This Attachment S governs the relationship between the Transmission Provider and all Transmission Customers and Interconnection Customers subject to this Tariff. This Attachment S does not establish privity between Transmission Customers, the EIM Entity and the MO or make a Transmission Customer subject to the MO Tariff. Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, and those prescribed in business practices of the Transmission Provider and EIM Entity. The MO Tariff and EIM Entity's business practice provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall apply to Transmission Customers with EIM Participating Resources.

Notwithstanding the provisions of Section 10.2 of this Tariff, the standard of liability for the actions of the Transmission Provider performed consistent with this Attachment S shall be gross negligence or intentional wrongdoing.

### 3 Registration of EIM Participating Resources

As required by the EIM Entity, Transmission Customers with resources in the Transmission Provider's Sub-BAA shall participate in the EIM as EIM Participating Resources under the terms and conditions defined in the EIM Entity's business practices. Transmission Customers with an EIM Participating Resource must:

- (a) Meet the requirements of this Attachment S, the EIM PA, as that agreement may be amended from time to time, and any successor or additional agreement(s) required by the EIM Entity. It shall be the obligation of the Transmission Customer to initiate registration for EIM Participating Resources, including initiating the EIM PA and additional agreements, with the EIM Entity, and to negotiate any necessary changes in such agreements, directly with the EIM Entity; and
- (b) Follow the related registration and certification process specified in this Attachment S, and any business practices and/or procedures of the Transmission Provider and EIM Entity.

#### 4 EIM Participating Resource Requirements

##### 4.1 Internal Resources – Transmission Rights

The Transmission Customer that owns or controls a resource within the Transmission Provider's Sub-BAA must have associated transmission rights on the Transmission Provider's system based on one of the following:

- (a) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or
- (b) The resource is associated with either (i) a Service Agreement for Firm Point-to-Point Transmission Service or (ii) a Service Agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

Notwithstanding the limitations in Section 28.6 of this Tariff, Network Customers utilizing a Network Integration Transmission Service Agreement, and Native Load Customers, may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an EIM Participating Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transactions.

Notwithstanding the limitations in Sections 1.27, 30.1, 30.2, and 30.4 of this Tariff, Network Customers may also utilize Network Resources for purposes of fulfilling obligations under the EIM, such as generation Dispatch Instructions.

##### 4.2 Resources External to Transmission Provider's Sub-BAA

#### 4.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of the Transmission Provider's Sub-BAA, and operates as a pseudo-tied resource within the Transmission Provider's Sub-BAA, must participate in the EIM as an EIM Participating Resource in accordance with the terms and conditions of such participation as defined in the EIM Entity's business practices.

The Transmission Customer with a pseudo-tied resource participating as an EIM Participating Resource must: (1) implement a Pseudo-Tie into the Transmission Provider's Sub-BAA, provided, however, that the Transmission Customer obtains a written agreement from BANC, the Transmission Provider or other impacted BAAs or BANC Sub-BAAs specifying the roles and obligations of the parties entering into this agreement; (2) arrange firm transmission over any third-party transmission systems to the Transmission Provider's Sub-BAA intertie/intratie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into the Transmission Provider's Sub-BAA, consistent with a written agreement with the affected parties; and (3) secure transmission service consistent with Section 4.1 of this Attachment S.

#### 4.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner specified in a written agreement with BANC, the Transmission Provider and other impacted BAA and BANC Sub-BAAs and consistent with this Tariff as it may apply to Network Upgrades and Direct Assignment Facilities.

#### 4.3 Request and Certification of EIM Participating Resources

This section should be read in conjunction with the applicable provisions of the EIM Entity's business practices, EIM PA, and any other successor or additional agreement(s) or requirements as prescribed by the EIM Entity.

##### 4.3.1 Request to Become an EIM Participating Resource

Registration of EIM Participating Resources shall be the responsibility of the Transmission Customer and shall be accomplished by the Transmission Customer in accordance with Section 3 of this Attachment S.

All resources seeking interconnection to the Transmission Provider's Transmission System under Attachments L and M of this Tariff must be registered as EIM Participating Resources before initiating trial operations or commercial operations

Transmission Customers shall notify the Transmission Provider in writing when an application is submitted to the EIM Entity to register an EIM Participating Resource, including the anticipated effective date of the Transmission Customer's EIM PA and the anticipated effective date of resource participation as an EIM Participating Resource. The Transmission Customer shall keep the Transmission Provider informed of any significant delays that may impact the anticipated effective date of the Transmission Customer's EIM PA, and any delays to the anticipated effective date of resource participation as an EIM Participating Resource, and/or denial of the Transmission Customer's request by the EIM Entity.

#### 4.3.2 Confirmation Notice

Prior to participation as an EIM Participating Resource, Transmission Customers must meet the requirements of Sections 4.1 or 4.2 of this Attachment S, as applicable, as well as the metering, communication, and data requirements of this Tariff. The Transmission Provider shall provide written confirmation of such to the EIM Entity, as required.

Upon written confirmation by the MO and EIM Entity, the Transmission Customer shall provide written notice to the Transmission Provider regarding the Transmission Customer's resource certification as an EIM Participating Resource.

#### 4.3.3 Resources Not Certified as EIM Participating Resources

Resources within the Transmission Provider's Sub-BAA, including pseudo-tied resources, must be certified by the EIM Entity as EIM Participating Resources. Any costs incurred by the Transmission Provider due to an unregistered or non-certified resource shall be the sole responsibility of the Transmission Customer or Interconnection Customer associated with the resource.

#### 4.3.4 Notice and Obligation to Report a Change in Information

Each Transmission Customer with an EIM Participating Resource has an ongoing obligation to inform the Transmission Provider and the EIM Entity, in accordance with the EIM Entity's business practices or procedures, of any changes to any of the information submitted as part of the application process under this Attachment S.

#### 4.3.5 Termination of EIM Participating Resource Participation

Transmission Customers with resources terminated from being EIM Participating Resources shall remain solely responsible for all EIM related costs and settlements incurred by the Transmission Provider associated

with the resource. Transmission Customers shall notify the Transmission Provider immediately if such termination occurs.

## 5 Roles and Responsibilities

The Transmission Provider's role and responsibilities for participation in EIM are limited as described in this Attachment S of this Tariff. This section should be read in conjunction with the EIM Entity's business practices for EIM.

### 5.1 EIM Entity and the EIM Entity Scheduling Coordinator

BANC performs the functions of the EIM Entity and retains such roles and responsibilities applicable to the EIM Entity. These include but are not limited to the role of the EIM Entity Scheduling Coordinator, as defined in the EIM Entity's EIM business practices and/or procedures, registration of EIM Participating Resources with the MO, establishing MO metering agreements with EIM Participating Resources, EIM settlement allocations from the MO to the Transmission Provider, and management of dispute resolution with the MO for EIM Entity settlement statements. Transmission Customers should refer to the EIM Entity's business practices for detailed information on the roles and responsibilities performed by the EIM Entity.

### 5.2 Transmission Provider Responsibilities

#### 5.2.1 General Responsibilities

##### 5.2.1.1 Determination of EIM Implementation Decisions for the Transmission Provider's Sub-BAA

The Transmission Provider coordinates with the EIM Entity on EIM participation decisions affecting the Transmission Provider's Sub-BAA, including but not limited to:

- (a) **Participation Requirements:** The Transmission Provider coordinates with the EIM Entity and is solely responsible for determining transmission service and associated participation requirements for resources within the Transmission Provider's Sub-BAA. Such requirements of the Transmission Provider are set forth in Section 4 of this Attachment S and are in addition to the resource eligibility and participation requirements established by the EIM Entity through its EIM business practices.
- (b) **Determination of Load Aggregation Points:** The Transmission Provider coordinates with the EIM Entity and MO to determine appropriate Load Aggregation Points. Responsibility for deciding Load Aggregation Points

remains with the EIM Entity in accordance with the EIM Entity's business practices.

- (c) Load Forecast: The Transmission Provider coordinates with the EIM Entity and the MO to determine appropriate load forecast data submission requirements and methods for submission of load within the Transmission Provider's Sub-BAA. Responsibility for deciding load forecast data submission requirements and methods remains with the EIM Entity in accordance with the EIM Entity's business practices.
- (d) EIM Transfer Capability: The Transmission Provider determines appropriate implementation methodologies for establishing EIM Transfer capability for the Transmission Provider's Transmission System.

#### 5.2.1.2 EIM Procedures and Business Practices

The Transmission Provider establishes and revises, as necessary, procedures and business practices to facilitate implementation and operation of the EIM within the Transmission Provider's Sub-BAA. The Transmission Provider shall coordinate with the EIM Entity to ensure alignment with the EIM Entity's business practices and procedures.

#### 5.2.1.3 Determination to Take Corrective Actions in the EIM

The Transmission Provider may take corrective actions in the Transmission Provider's Sub-BAA in accordance with the provisions of Sections 7 and 11 of this Attachment S.

#### 5.2.1.4 Determination to Permanently Terminate Participation in the EIM

The Transmission Provider, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the EIM Entity pursuant to the terms of the EIM PA, as it may be amended. In the event the Transmission Provider terminates its participation in EIM, there will be no further service under this Attachment S.

### 5.2.2 Responsibilities to Provide Required Information

#### 5.2.2.1 Provide Modeling Data

The Transmission Provider provides the EIM Entity and/or MO information associated with the Transmission Provider's



transmission facilities within the BANC BAA, including, but not limited to, network constraints and associated limits that must be observed in the BANC BAA network and interties with other BAAs.

#### 5.2.2.2 Provide Outage Data

The Transmission Provider communicates to the EIM Entity and/or MO outage data regarding planned and unplanned outages of transmission facilities and generation resources within the Transmission Provider's Sub-BAA in accordance with Section 8 of this Attachment S and the outage data provisions of the EIM Entity's business practices and procedures.

#### 5.2.2.3 Provide Meter Data

The Transmission Provider submits to the EIM Entity and/or MO load, resource, Interchange and Intrachange meter data, in accordance with the EIM Entity's business practices and the MO Tariff.

### 5.2.3 Day-to-Day EIM Operations

#### 5.2.3.1 Communication of Manual Dispatch Information

The Transmission Provider informs the EIM Entity and/or MO of a Manual Dispatch within the Transmission Provider's Sub-BAA by providing adjustment information for the affected resources in accordance with the EIM Entity's business practices.

#### 5.2.3.2 Determination of EIM Transfer Capability

The Transmission Provider determines amounts of transmission capacity on the Transmission Provider's system available for EIM Transfers consistent with Section 6.2 of this Attachment S.

#### 5.2.3.3 Confirmation of EIM E-Tags

The Transmission Provider confirms EIM dynamic transfer E-Tags on behalf of the EIM Entity for EIM dynamic transfers within the Transmission Provider's Transmission System, in accordance with the EIM Entity's business practices.

### 5.2.4 Settlement of Charges and Payments

The Transmission Provider is responsible for financial settlement of all charges and payments allocated by the EIM Entity and/or MO to the Transmission Provider. The Transmission Provider may sub-allocate EIM



charges and payments to various entities including Transmission Customers.

#### 5.2.5 Dispute Resolution

The Transmission Provider manages dispute resolution consistent with Section 12 of this Tariff and applicable business practices.

### 5.3 Transmission Customer Responsibilities

All Transmission Customers must comply with the requirements of this section, including but not limited to: (1) Transmission Customers with an EIM Participating Resource; (2) Transmission Customers with load within the Transmission Provider's Sub-BAA; and (3) Transmission Customers wheeling through the Transmission Provider's Sub-BAA.

Transmission Customers must also comply with the applicable requirements of the MO Tariff, EIM PA, this Tariff, and any business practices and procedures developed by the MO, EIM Entity and Transmission Provider.

#### 5.3.1 Initial Registration Data

##### 5.3.1.1 Transmission Customers with an EIM Participating Resource

A Transmission Customer with an EIM Participating Resource shall meet the EIM Entity's requirements for providing the EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by the MO Tariff.

#### 5.3.2 Responsibility to Update Required Data

##### 5.3.2.1 Transmission Customers with an EIM Participating Resource

Each Transmission Customer with an EIM Participating Resource has an ongoing obligation to meet the EIM Entity's requirements for informing the MO and EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 5.3.1 of this Attachment S.

#### 5.3.3 Outages

Transmission Customers shall be required to provide planned and unplanned outage information for their resources and transmission facilities in accordance with Section 8 of this Attachment S.

#### 5.3.4 Submission of Transmission Customer Base Schedule

Every Transmission Customer, including Transmission Customers which do not have any resources or load within the Transmission Provider's Sub-BAA, shall meet the EIM Entity's requirements for submitting the Transmission Customer Base Schedule in accordance with the EIM Entity's business practices. Transmission Customers shall provide the same to the Transmission Provider in accordance with the Transmission Provider's EIM business practice and procedures.

#### 5.3.5 Metering for Transmission Customers

To assess imbalance, the MO disaggregates meter data intervals. If the Transmission Customer's meter intervals are not already programmed to meet MO meter intervals, pursuant to a Transmission Customer's applicable interconnection requirements associated with any agreement pursuant to Attachment L & M of this Tariff, to the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data to meet the EIM Entity's requirements for metering as defined in the EIM Entity's business practice.

#### 5.3.6 Settlement of EIM Entity or MO Charges and Payments

The EIM Entity is responsible for financial settlement of all charges and payments allocated by the MO to the EIM Entity. The EIM Entity may allocate EIM charges and payments to various entities, including the Transmission Provider. The Transmission Customer shall be responsible for its share of costs allocated directly by the EIM Entity or MO to the Transmission Customer, or indirectly to the Transmission Customer through the Transmission Provider.

Each Transmission Customer that is a BANC EIM Participating Resource Scheduling Coordinator shall provide to the Transmission Provider resource data which the Transmission Provider may not otherwise have access to, but determines necessary for its settlement of services and charges applicable under this Tariff. Such data may include but is not limited to the Transmission Customer's Dispatch Operating Target data for the respective resources it represents that are participating in the EIM and may incur unreserved use charges per Section 9.1.2 of this Attachment S. Transmission Customers shall provide the data to the Transmission Provider in accordance with the Transmission Provider's EIM business practices.

#### 5.3.7 Dispute Resolution

Transmission Customers with EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO and shall provide notice of any such dispute to the

Transmission Provider. Transmission Customers shall manage disputes with the EIM Entity for any settlement they receive directly from the EIM Entity and shall provide notice of any such dispute to the Transmission Provider. Transmission Customers shall manage disputes with the Transmission Provider for any settlement they receive directly from the Transmission Provider consistent with Section 12 of this Attachment S.

## 6 Transmission Operations

This section should be read in conjunction with the EIM Entity's business practices related to facilitation of transmission operations for EIM.

### 6.1 Provision of Transmission System Real-Time Information

The Transmission Provider provides the EIM Entity and/or MO the following information regarding the Transmission Provider's Transmission System:

- (a) Real-time data for the Transmission System and interties;
- (b) Any changes to transmission capacity and the Transmission System due to operational circumstances; and
- (c) EIM Transfer capability consistent with Section 6.2 of this Attachment S.

### 6.2 Provision of EIM Transfer Capability

The Transmission Provider facilitates the provision of transmission capacity for EIM by providing amounts of EIM Transfer capability on the Transmission Provider's system to the EIM Entity and/or MO. The Transmission Provider's implemented methodology for establishing EIM Transfer capability is described in the Transmission Provider's EIM business practices.

#### 6.2.1 Available Transfer Capability

The Transmission Provider facilitates the provision of transmission capacity for EIM Transfers by providing the EIM Entity and/or MO with information about the amounts of transmission capacity on the Transmission Provider's Transmission System available for EIM Transfers utilizing Available Transfer Capability (ATC). The Transmission Provider facilitates the provision of EIM Transfer capacity corresponding to ATC by submitting such capacity in accordance with the EIM Entity and Transmission Provider's business practices.

## 7 System Operations under Normal and Emergency Conditions

### 7.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the EIM Entity, Transmission Provider, or Transmission Customers to comply with applicable reliability standards.

## 7.2 Good Utility Practice

Transmission Customers shall comply with Good Utility Practice with respect to this Attachment S.

## 7.3 Management of Contingencies and Emergencies

### 7.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with the MO Tariff, the Transmission Provider promptly informs the EIM Entity and/or MO of actions taken in response to the EIM disruption by providing adjustment information, updates to E-Tags, transmission limit adjustments, or outage and de-rate information, as applicable and in accordance with the EIM Entity's business practices.

### 7.3.2 Manual Dispatch

The Transmission Provider may take corrective actions within its transmission system, including issuing a Manual Dispatch order to a Transmission Customer in the Transmission Provider's Sub-BAA, outside of EIM optimization to address reliability or operational issues in the Transmission Provider's Sub-BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The Transmission Provider informs the EIM Entity and/or MO of a Manual Dispatch as soon as possible, and in accordance with the EIM Entity's business practice.

## 8 Outages

The Transmission Provider communicates outage data regarding planned and unplanned outages of transmission facilities, and EIM Participating Resources, located within the Transmission Provider's Sub-BAA in accordance with the outage data provisions of the EIM Entity's business practices and procedures, as those may develop and evolve over time. The EIM Entity retains ultimate responsibility for establishing outage submission requirements for the BANC EIM Entity BAA, and for communicating planned and unplanned outages to the MO in accordance with the MO tariff.

## 8.1 Transmission Provider Transmission Outages

### 8.1.1 Planned Transmission Outages and Known Derates

The Transmission Provider submits information regarding planned transmission outages and known derates on the Transmission Provider's Transmission System to the EIM Entity and/or MO in accordance with the EIM Entity's business practices and procedures. The Transmission Provider updates the submittal if there are changes to the transmission outage plan.

### 8.1.2 Unplanned Transmission Outages

The Transmission Provider submits information regarding unplanned transmission outages or derates on the Transmission Provider's Transmission System to the EIM Entity and/or MO in accordance with the EIM Entity's business practices and procedures.

## 8.2 WAPA Sub-BAA Transmission Owner Outages

Unless agreed to otherwise by the Transmission Provider, Transmission Customers that are also Transmission Owners inside the Transmission Provider's Sub-BAA shall provide the Transmission Provider with planned and unplanned transmission outage data in accordance with the Transmission Provider's business practices.

The Transmission Provider may pass through outage information received to the EIM Entity and/or MO.

## 8.3 EIM Participating Resource Outages

### 8.3.1 Planned EIM Participating Resource Outages and Known Derates

Transmission Customers shall submit information regarding planned resource outages and known derates to the Transmission Provider and EIM Entity and/or MO in accordance with the Transmission Provider and EIM Entity's business practices. Transmission Customers shall update outage submittals if there are any changes to the resource outage plan.

The Transmission Provider may pass through outage information received from the Transmission Customer to the EIM Entity and/or MO.

### 8.3.2 Unplanned EIM Participating Resource Outages or Derates

In the event of an unplanned outage or derate required to be reported under the MO Tariff or EIM Entity's business practices, the Transmission Customer is responsible for notifying the Transmission Provider and EIM

Entity and/or MO in accordance with the Transmission Provider and EIM Entity's business practices and procedures.

The Transmission Provider may pass through outage information received from the Transmission Customer to the EIM Entity and/or MO.

## 9 EIM Settlements and Billing

The EIM Entity's business practices, or other written instrument or schedule as determined by the EIM Entity, includes information on the specific charges applicable to EIM settlements for the BANC EIM Entity BAA, including those that may be incurred by the Transmission Provider. For EIM settlements incurred by the Transmission Provider, the Transmission Provider shall settle EIM related charges through the schedules promulgated in the addendums of this Attachment S.

The Transmission Provider shall also develop and maintain business practices detailing the settlement allocation practices associated with EIM charges, as details of such settlement allocation practices are subject to evolution based on the settlement decisions and practices of the EIM Entity. The Transmission Provider's business practices for EIM settlements shall be posted on the Transmission Provider's OASIS. Revisions to the posted settlement practices shall be managed through public stakeholder processes.

### 9.1 EIM Transmission Charges

#### 9.1.1 EIM Transmission Service

Unless subsequently imposed by the MO as part of the MO Tariff and promulgated by WAPA through rate proceedings, there shall be no incremental transmission charge assessed for transmission use related to the EIM. Transmission Customers must have transmission service rights, as provided in Section 4 of this Attachment S.

#### 9.1.2 EIM Unreserved Use

EIM Participating Resources within the Transmission Provider's Sub-BAA will not incur unreserved use charges solely as a result of EIM Dispatch Instruction. For uses that exceed the EIM Dispatch Instruction, the Transmission Provider will assess unreserved use in accordance with the Transmission Provider's business practices and settle such charges under Schedule 10 of this Tariff. Any ancillary service charges that are applicable to Schedule 10 charges shall apply and shall include Schedule 1 and Schedule 1S of this Tariff.

#### 9.1.3 EIM Transmission Losses

Transmission Customers shall be assessed real power losses against the Transmission Customer Base Schedule as a product of the applicable loss

factors provided in Sections 15.7 and 28.5 of this Tariff, and in accordance with the Transmission Provider's business practices.

Settlement of real power losses associated with EIM Energy Imbalance Service shall be pursuant to Schedule 4S of this Tariff, and settlement of Real Power Losses associated with EIM Generator Imbalance Service shall be pursuant to Schedule 9S of this Tariff.

#### 9.2 EIM Administrative Service

The Transmission Provider shall settle EIM administrative service costs with Transmission Customers through Schedule 1S of this Tariff. This settlement recovers the administrative costs for participation in the EIM by the Transmission Provider, including but not limited to such administrative charges as may be incurred by the Transmission Provider from the MO and/or EIM Entity.

#### 9.3 EIM Energy Imbalance Service

Notwithstanding the provisions of Section 3.4 of this Tariff, the rates and/or methodology related to Energy Imbalance Service when the Transmission Provider is participating in the EIM are described in Schedule 4S of this Tariff. Otherwise, such rates and/or methodology related to Energy Imbalance Service are described in Section 3.4 of this Tariff.

Energy Imbalance Service settlements incurred by the Transmission Provider during EIM participation shall be settled with Transmission Customers through Schedule 4S of this Tariff. Charges may include:

- (a) Uninstructed Imbalance Energy (UIE)
- (b) Under-Scheduling Load
- (c) Over-Scheduling Load
- (d) Distribution of Under-Scheduling and Over-Scheduling Proceeds

#### 9.4 EIM Generator Imbalance Service

Notwithstanding the provisions of Section 3.7 of this Tariff, the rates and/or methodology related to Generator Imbalance Service when the Transmission Provider is participating in the EIM are described in Schedule 9S of this Tariff. Otherwise, such rates and/or methodology related to Generator Imbalance Service are described in Section 3.7 of this Tariff.

Generator Imbalance Service settlements incurred by the Transmission Provider during EIM participation shall be settled with Transmission Customers through Schedule 9S of this Tariff. Charges may include:



(a) Instructed Imbalance Energy (IIE)

(b) Uninstructed Imbalance Energy (UIE)

#### 9.5 Other EIM Settlements

All additional EIM related settlements incurred by the Transmission Provider shall be allocated to Transmission Customers through EIM rates in accordance with the Transmission Provider's business practices as posted on the Transmission Provider's OASIS. Such charges may include:

(a) Unaccounted for Energy (UFE)

(b) EIM Uplifts

(c) Allocation of Operating Reserves

#### 9.6 MO Tax Liabilities

Any charges to the Transmission Provider from the EIM Entity pursuant to the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

#### 9.7 EIM Payment Calendar

The Transmission Provider will follow the payment calendar established by the EIM Entity.

#### 9.8 Market Validation and Price Correction

If the MO or EIM Entity modifies the Transmission Provider's EIM settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the Transmission Provider may make corresponding or similar changes to the charges and payments sub-allocated under this Attachment S.

### 10 Compliance

#### 10.1 Provision of Data

Transmission Customers are responsible for complying with the EIM Entity's business practices regarding information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer must provide the EIM Entity and/or Transmission Provider with all data necessary to respond to information requests received by



the EIM Entity and/or the Transmission Provider from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the Transmission Provider is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the Transmission Provider may disclose such information; provided, however, that upon the Transmission Provider learning of the disclosure requirement and, if possible, prior to making such disclosure, the Transmission Provider shall notify any affected party of the requirement and the terms thereof. The affected party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The Transmission Provider shall cooperate, to the extent allowed by law, with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The Transmission Provider shall treat Transmission Customer and Interconnection Customer market sensitive data as confidential, unless the Transmission Provider is otherwise allowed or required to disclose such information. The Transmission Provider shall continue to abide by the Commission's Standards of Conduct and handle customer information accordingly.

## 10.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

- (a) Comply with Dispatch Instructions and the EIM Entity or Transmission Provider operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO, EIM Entity, or Transmission Provider, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the Transmission Provider and EIM Entity in accordance with the EIM Entity and Transmission Provider's business practices;
- (b) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;
- (c) Notify the MO, EIM Entity, and/or the Transmission Provider, as applicable, of outages in accordance with Section 8 of this Attachment S;

- (d) Provide complete, accurate, and timely meter data in accordance with the metering and communication requirements of this Tariff, and associated EIM Entity and Transmission Provider's business practices, and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely, the Transmission Customer shall be responsible for any consequence on settlement and billing;
- (e) Provide information, including the Outage, Base Schedule, and Compliance information requested in this Attachment S, by the applicable deadlines and in accordance with the EIM Entity and Transmission Provider's business practices; and
- (f) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the EIM Entity and/or MO.

### 10.3 Enforcement

The Transmission Provider may refer a violation of Section 10.2 of this Attachment S to the EIM Entity, and/or MO for further action.

## 11 Market Contingencies

### 11.1 Temporary Suspension by the MO or EIM Entity

In the event that the MO or EIM Entity implements a temporary suspension in accordance with the MO Tariff or EIM Entity's business practices or procedures, the Transmission Provider shall utilize Schedules 4 and 9 and Sections 15.7 and 28.5 of this Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the Transmission Provider or EIM Entity's participation in the EIM in accordance with applicable agreements and the EIM Entity's business practices.

Any EIM related service charges that continue to be incurred by the Transmission Provider during temporary suspension, as provided by the EIM Entity's business practices, shall be settled in accordance with the applicable schedules promulgated in the addendums of this Attachment S.

### 11.2 Termination of Participation in EIM – EIM Entity

The Transmission Provider shall notify Transmission Customers if the EIM Entity submits a notice of termination of its participation in the EIM to the MO. In the event the EIM Entity terminates participation in the EIM, and no successor arrangements are established for the Transmission Provider's continued

participation in EIM, this Attachment S shall terminate concurrently with that termination and in accordance with the provisions defined in Section 2 of this Attachment S.

Transmission Customers shall remain obligated for settlement of any charges imposed by the MO or EIM Entity on the Transmission Provider subsequent to such notice of termination by the EIM Entity. Such settlement obligation shall continue until all MO and EIM Entity charges imposed on the Transmission Provider are finally settled.

#### 11.3 Termination of Participation in EIM – Transmission Provider

If the Transmission Provider submits a notice of termination of its participation in the EIM to the EIM Entity in accordance with the EIM PA and applicable agreements, the Transmission Provider shall continue to provide EIM transmission service under this Attachment S until such time that the termination is effective, with such effective date to be based on the EIM PA and applicable agreements.

If the Transmission Provider takes action under this Section 11.3, the Transmission Provider shall notify Transmission Customers, and provide notice of the effective date of termination. In the event the Transmission Provider terminates participation in the EIM, this Attachment S shall terminate concurrently with that termination and in accordance with the provisions defined in Section 2 of this Attachment S.

Transmission Customers shall remain obligated for settlement of any charges imposed by the MO or EIM Entity on the Transmission Provider, and those assessed by the Transmission Provider, in accordance with Section 9 of this Attachment S, subsequent to notice of termination. Such settlement obligation shall continue until all EIM related charges are finally settled by the MO, EIM Entity, and the Transmission Provider as such settlements may be subject to adjustment by the MO beyond the effective date of termination by the Transmission Provider.

#### 11.4 Management of Contingencies and Emergencies

The Transmission Provider may declare a temporary contingency and notify the EIM Entity to invoke corrective actions for the EIM when in its judgment:

- (a) Operational circumstances (including a failure of the EIM to produce feasible results in the Transmission Provider's Sub-BAA) have caused or are in danger of causing an abnormal system condition in the Transmission Provider's Sub-BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet

the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

- (b) Communications between the MO and the EIM Entity or Transmission Provider are disrupted and prevent the Transmission Provider, EIM Entity, EIM Entity Scheduling Coordinator, or an EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

#### 11.4.1 Corrective Actions for Temporary Contingencies

If either of the above temporary contingencies occurs, the Transmission Provider may notify the EIM Entity of such condition and may request the EIM Entity invoke corrective actions through the MO, in accordance with EIM Entity's business practices.

When corrective actions are implemented that result in suspension of EIM settlement charges for the EIM Entity, or if the MO Tariff requires the use of temporary schedules to set an administrative price, the Transmission Provider shall utilize Schedules 4 and 9 and Sections 15.7 and 28.5 of this Tariff.

If the Transmission Provider takes action under this Section 11.4, and/or the EIM Entity implements corrective actions with the MO, the Transmission Provider shall notify Transmission Customers. The Transmission Provider, EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

Any EIM related service charges that continue to be incurred by the Transmission Provider during temporary suspension and/or contingency, as provided by the EIM Entity's business practices, shall be settled in accordance with the applicable schedules promulgated in the addendums of this Attachment S.

## 12 EIM Disputes

### 12.1 Between the Transmission Provider and EIM Entity or MO

The Transmission Provider may raise disputes with the MO or the EIM Entity regarding the settlement statements it receives from the MO or EIM Entity in accordance with the processes specified in the MO's Tariff, EIM PA, and EIM Entity's business practices.

### 12.2 Related to Allocated EIM Entity Charges or Payments

To the extent a dispute arises between the Transmission Provider and a Transmission Customer or Interconnection Customer regarding the Transmission Provider's implementation of this Tariff's provisions regarding the manner in which the Transmission Provider allocates charges or payments from the EIM Entity, the parties shall follow the dispute resolution procedures in Sections 12.1 through 12.3 of this Tariff.

12.3 Between EIM Participating Resources and the MO

Disputes involving settlement statements between the MO and Transmission Customers with EIM Participating Resources shall be resolved directly by the EIM Participating Resource Scheduling Coordinator in accordance with the EIM Entity's business practice.

## **Addendum 1 to Attachment S**

### **SCHEDULE 1S EIM Administrative Service**

This Schedule 1S shall apply when WAPA SNR, as Transmission Provider, is participating in the EIM and when the EIM has not been suspended. Schedule 1S shall apply in addition to Schedule 1 of this Tariff. To the extent the Transmission Provider incurs EIM Administrative Service related charges during periods of market suspension or contingency, as described in Section 11 of Attachment S of this Tariff, this Schedule 1S shall also apply to ensure the Transmission Provider remains revenue neutral for its participation in the EIM.

This service recovers the administrative costs for participation in the EIM by the Transmission Provider, including but not limited to such administrative charges as may be incurred by the Transmission Provider from the MO and/or EIM Entity. Unless such charges are allocated to the Transmission Customer directly by the EIM Entity, all Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider.

The specific charges for EIM Administrative Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the charges under the Schedule upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

## **Addendum 2 to Attachment S**

### **SCHEDULE 4S EIM Energy Imbalance Service**

This Schedule 4S shall apply when WAPA SNR, as Transmission Provider, is participating in the EIM and when the EIM has not been suspended. In accordance with Section 11 of Attachment S of this Tariff, Schedule 4 of this Tariff shall apply when the Transmission Provider is not participating in the EIM or when the EIM has been suspended. To the extent the Transmission Provider incurs EIM Energy Imbalance Service related charges from the EIM Entity during periods of market suspension or contingency, as described in Section 11 of Attachment S of this Tariff, this Schedule 4S shall also apply to ensure the Transmission Provider remains revenue neutral for its participation in the EIM.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the Transmission Provider's Sub-BAA. The Transmission Provider must offer this service when transmission service is used to serve load within its Sub-BAA. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation.

Unless such charges are allocated to the Transmission Customer directly by the EIM Entity, a Transmission Customer shall be charged or paid for Energy Imbalance Service charges allocated to the Transmission Provider for its participation in the EIM, in accordance with the specific methodology for cost assessment set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges and payments for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for this service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.



### **Addendum 3 to Attachment S**

#### **SCHEDULE 9S EIM Generator Imbalance Service**

This Schedule 9S shall apply when WAPA SNR, as Transmission Provider, is participating in the EIM and when the EIM has not been suspended. In accordance with Section 11 of Attachment S of this Tariff, Schedule 9 of this Tariff shall apply when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. To the extent the Transmission Provider incurs EIM Generator Imbalance Service related charges from the EIM Entity during periods of market suspension or contingency, as described in Section 11 of Attachment S of this Tariff, this Schedule 9S shall also apply to ensure the Transmission Provider remains revenue neutral for its participation in the EIM.

Generally, Generator Imbalance Service is provided when a difference occurs between the output of a generator that is not an EIM Participating Resource located in the Transmission Provider's Sub-BAA, as reflected in the resource component of the Transmission Customer Base Schedule, and the delivery schedule from that generator to (1) another BAA, (2) the BANC BAA, or (3) a load within the Transmission Provider's Sub-BAA. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when its transmission service is used to deliver energy from a generator located within its Sub-BAA. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation.

Unless such charges are allocated to the Transmission Customer directly by the EIM Entity, a Transmission Customer shall be charged or paid for Generator Imbalance Service charges allocated to the Transmission Provider for its participation in the EIM, in accordance with the specific methodology for cost assessment set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. Such charges may include those due to operational adjustments of any affected Interchange. The rates or rate methodology used to calculate the charges and payments for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The Transmission Provider may modify the compensation for this service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

**Applicability to Interconnection Customers:** To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Sub-BAA, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9S.



## ATTACHMENT T

### CAISO Energy Imbalance Market Provisions for Desert Southwest Region (DSR)

Attachment T provides for participation of WAPA's Desert Southwest Region (DSR) in the California Independent System Operator Corporation's (CAISO) Western Energy Imbalance Market (EIM). Attachment T is not applicable for transactions occurring outside of DSR.

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SCHEDULE 1T - EIM Administrative Service

SCHEDULE 4T - EIM Energy Imbalance Service

SCHEDULE 9T - EIM Generator Imbalance Service

## 1. Definitions

The following definitions apply only to this Attachment T.

- 1.1** Balancing Authority (BA): The responsible entity that integrates resource plans ahead of time, maintains load Interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.
- 1.2** Balancing Authority Area (BAA): For the purpose of this Tariff, the term Balancing Authority Area shall have the same meaning as “Control Area”.
- 1.3** CAISO: A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.
- 1.4** CAISO BAA or CAISO Controlled Grid: The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO’s operational control.
- 1.5** Dispatch Instruction: An instruction by the MO for an action with respect to a specific WAPA EIM Participating Resource for increasing or decreasing its energy supply or demand.
- 1.6** Dispatch Operating Target: The MO issued dispatch instruction for an EIM Resource. For purposes of this Attachment T, the Dispatch Operating Target means the MW output of: (i) an EIM Participating Resource due to an EIM bid being accepted and the EIM Participating Resource receiving a Dispatch Instruction; or (ii) a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO for the dispatch of EIM Available Balancing Capacity.
- 1.7** Dynamic Transfer: The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:
  - (a) Dynamic Schedule: A telemetered reading or value that is updated in real time and used as a schedule in the Automatic Generation Control (AGC)/Area Control Error (ACE) equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or
  - (b) Pseudo-Tie: A functionality by which the output of a generating unit

physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

- 1.8** E-Tag: An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).
- 1.9** EIM: The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the 15-minute and 5-minute markets.
- 1.10** EIM Area: The combination of the WAPA EIM Entity's BAA, the CAISO BAA, and the BAAs of other EIM Entities in the western interconnection.
- 1.11** EIM Available Balancing Capacity: Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the WAPA EIM Entity's Resource Plan.
- 1.12** EIM Entity: A BA, other than the WAPA EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.
- 1.13** EIM Transfer: The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between the WAPA EIM Entity's BAA and the CAISO BAA; (2) between the WAPA EIM Entity's BAA and an EIM Entity BAA; or (3) between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.
- 1.14** Forecast Data: Information provided by Transmission Customers regarding anticipated load (as determined pursuant to Section 5.2.4.3 of Attachment T of this Tariff), generation, Intrachange, and Interchange, as specified in Section 5.2.4 of Attachment T and the WAPA EIM Entity's business practices. The Transmission Customer Base Schedule includes Forecast Data that is used by the WAPA EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.
- 1.15** Imbalance Energy: The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.
- 1.16** Interconnection Customer: Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation Interconnection Service pursuant to Attachments L or M of this Tariff.

- 1.17** Instructed Imbalance Energy (IIE): Settlement charges incurred by the Transmission Provider on behalf of Transmission Customers for instructed deviations, such as those that occur due to operational adjustments to Transmission Customer interchange schedules and Manual Dispatch.
- 1.18** Interchange: E-Tagged energy transfers from, to, or through BAAs not including EIM Transfers.
- 1.19** Intrachange: E-Tagged energy transfers within the WAPA EIM Entity's BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.
- 1.20** Manual Dispatch: An operating order issued by the WAPA EIM Entity to a Transmission Customer with a WAPA EIM Participating Resource or a Non-Participating Resource in the WAPA EIM Entity's BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in the WAPA EIM Entity's BAA that the EIM is not able to address through economic dispatch and congestion management.
- 1.21** Market Operator (MO): The entity responsible for operation, administration, settlement, and oversight of the EIM. The CAISO is the current MO of the EIM.
- 1.22** MO Tariff: Those portions of the MO's approved tariff, as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.
- 1.23** Operating Hour: The hour when the EIM runs and energy is supplied to load.
- 1.24** Resource Plan: The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the WAPA EIM Entity, bid ranges submitted by WAPA EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.
- 1.25** Transmission Customer Base Schedule: An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the WAPA EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 5.2.4.3 of Attachment T) or any individual components of such schedule.
- 1.26** Uninstructed Imbalance Energy (UIE): For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2)

the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch. For Transmission Customers with load in the WAPA EIM Entity's BAA, the WAPA EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

- 1.27** Variable Energy Resource: A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.
- 1.28** WAPA EIM Entity: The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment T.
- 1.29** WAPA EIM Entity Scheduling Coordinator: The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling Coordinator Agreement.
- 1.30** WAPA EIM Participating Resource: A resource or a portion of a resource: (1) that has been certified in accordance with Attachment T by the WAPA EIM Entity as eligible to participate in the EIM; and (2) for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.
- 1.31** WAPA EIM Participating Resource Scheduling Coordinator: A Transmission Customer with one or more WAPA EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more WAPA EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

## **2. General Provision - Purpose and Effective Date of Attachment T**

Attachment T provides for WAPA EIM Entity's participation as the EIM Entity in the EIM administered by the MO. This Attachment T should be read in conjunction with the WAPA EIM Entity's business practices. Attachment T shall be in effect for as long as the WAPA EIM Entity implements the EIM and until all final settlements are finalized resulting from such implementation or termination.

Attachment T shall apply to:

- (a) unless otherwise provided by a legacy agreement, all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III of this Tariff or Attachments L, M and/or T of this Tariff;

(b) all Transmission Customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of this Tariff and/or this Attachment T in particular; and

(c) The WAPA EIM Entity's use of the transmission system for service to Native Load Customers.

To the extent an Interconnection Customer controls the output of a generator located in the WAPA EIM Entity's BAA, the WAPA EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment T that on its face applies to a Transmission Customer to the extent that the WAPA EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment T than any Transmission Customer.

Attachment T shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment T is inconsistent with a provision in the remainder of this Tariff regarding the WAPA EIM Entity's administration of the EIM, this Attachment T shall prevail.

This Attachment T governs the relationship between the WAPA EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This Attachment T does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with WAPA EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

Notwithstanding the provisions of Section 10.2 of this Tariff, the standard of liability for the actions of the WAPA EIM Entity performed consistent with this Attachment T shall be gross negligence or intentional wrongdoing.

### 3. Election of Transmission Customers to become WAPA EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as WAPA EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become a WAPA EIM Participating Resource must:

(a) Meet the requirements specified in Section 4 of this Attachment T and the WAPA EIM Entity's business practices;

(b) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and



(c) Follow the application and certification process specified in this Attachment T and the WAPA EIM Entity's business practices posted on the WAPA EIM Entity's OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be WAPA EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be WAPA EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment T.

#### 4. Eligibility to be a WAPA EIM Participating Resource

##### 4.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of WAPA's BAA are eligible to become WAPA EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

- (a) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or
- (b) The resource is associated with either (i) a service agreement for Firm Point-to-Point Transmission Service or (ii) a service agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

Notwithstanding the limitations in Section 28.6 of this Tariff, Network Customers utilizing a Network Integration Transmission Service Agreement, and Native Load Customers, may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an EIM Participating Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transactions.

Notwithstanding the limitations in Sections 1.27, 30.1, 30.2, and 30.4 of this Tariff, Network Customers may also utilize Network Resources for purposes of fulfilling obligations under the EIM, such as generation Dispatch Instructions.

##### 4.2 Resources External to WAPA's BAA

###### 4.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of WAPA's BAA may participate in the EIM as a WAPA EIM Participating Resource if the



Transmission Customer:

- (a) implements a Pseudo-Tie into WAPA's BAA, consistent with the business practices posted on the WAPA EIM Entity's OASIS;
- (b) has arranged firm transmission over any third-party transmission systems to a WAPA BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into WAPA's BAA, consistent with the business practices posted on the WAPA EIM Entity's OASIS;
- (c) has secured transmission service consistent with Section 4.1 of this Attachment T; and
- (d) Pseudo-Tie and resource must be registered with the NAESB EIR (Electric Industry Registry).

#### 4.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with any pertinent Pseudo-Tie agreements. Any costs that may be required to implement Pseudo-Ties shall be funded in advance by Transmission Customers in such Pseudo-Tie agreements.

### 4.3 Application and Certification of WAPA EIM Participating Resources

This section should be read in conjunction with the WAPA EIM Entity's business practices.

#### 4.3.1 Application

To register a resource to become a WAPA EIM Participating Resource, an applicant must submit a completed application and shall provide a nonrefundable deposit of \$1,500 for the WAPA EIM Entity to process the application. Upon completion of processing the completed application, the WAPA EIM Entity shall charge and the applicant shall pay in advance the costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by the WAPA EIM Participating Resource applicant. At the time of application, any WAPA EIM Participating Resource applicant must elect to perform the duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable.

#### 4.3.2 Processing the Participating Resource Application

The WAPA EIM Entity shall make a determination as to whether to accept or

reject the application within forty-five (45) days of receipt of the application. At minimum, the WAPA EIM Entity shall validate through the application that the WAPA EIM Participating Resource applicant has satisfied Sections 4.1 and 4.2 of this Attachment T, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the WAPA EIM Entity's business practices, including its metering policy. Within forty-five (45) days of receipt of the application and in accordance with the process outlined in the WAPA EIM Entity's business practices, the WAPA EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The WAPA EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application. If the WAPA EIM Entity approves the application, it shall send notification of approval to both the WAPA EIM Participating Resource applicant and the MO. If the WAPA EIM Entity rejects the application, the WAPA EIM Entity shall send notification stating the grounds for rejection to the WAPA EIM Participating Resource applicant. Upon request, the WAPA EIM Entity may provide guidance to the applicant as to how the WAPA EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the WAPA EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the WAPA EIM Entity's initial receipt of the application, the application shall be deemed rejected by the WAPA EIM Entity. If an application is rejected, the WAPA EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

#### 4.3.3 Certification Notice

Upon approval of an application and in accordance with the process specified in the WAPA EIM Entity's business practices, certification by the WAPA EIM Entity of the WAPA EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

- (a) Met the MO's criteria to become an EIM Participating Resource and executed the MO's pro forma EIM Participating Resource Agreement;
- (b) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;
- (c) Met the necessary metering requirements of this Tariff and the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's pro forma Meter Service Agreement for Scheduling Coordinators; and

(d) Met communication and data requirements of this Tariff and the MO Tariff; and has the ability to receive and implement Dispatch Instructions every 5 minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the WAPA EIM Entity shall provide notice to both the Transmission Customer with a WAPA EIM Participating Resource and the MO that the WAPA EIM Participating Resource is certified and therefore eligible to participate in the EIM.

#### 4.3.4 Status of Resource Pending Certification

If the Transmission Customer: (i) has submitted an application for a resource to be a WAPA EIM Participating Resource but the application has not been approved; or (ii) has not yet been certified by the WAPA EIM Entity consistent with Section 4.3.3 of this Attachment T, the resource shall be deemed to be a Non-Participating Resource.

#### 4.3.5 Notice and Obligation to Report a Change in Information

Each Transmission Customer with a WAPA EIM Participating Resource has an ongoing obligation to inform the WAPA EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment T consistent with the WAPA EIM Entity's business practices. This information includes, but is not limited to:

- (a) Any change in the WAPA EIM Participating Resource Scheduling Coordinator representing the resource;
- (b) Any change in the ownership or control of the resource;
- (c) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with the MO Tariff; or
- (d) If either the MO terminates the participation of the WAPA EIM Participating Resource in the EIM or the Transmission Customer has terminated the WAPA EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non-Participating Resource for purposes of this Tariff, including Attachment T.

## 5. Roles and Responsibilities

### 5.1 WAPA EIM Entity and the WAPA EIM Entity Scheduling Coordinator

#### 5.1.1 Responsibilities

#### 5.1.1.1 Identification of EIM Entity Scheduling Coordinator

The WAPA EIM Entity can serve as the WAPA EIM Entity Scheduling Coordinator or retain a third party to perform such role. If the WAPA EIM Entity is not the WAPA EIM Entity Scheduling Coordinator, the WAPA EIM Entity shall communicate to the WAPA EIM Entity Scheduling Coordinator the information required by the WAPA EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The WAPA EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The WAPA EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

#### 5.1.1.2 Processing WAPA EIM Participating Resource Applications

The WAPA EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as WAPA EIM Participating Resources in accordance with Section 4.3 of this Attachment T.

#### 5.1.1.3 Determination of EIM Implementation Decisions for WAPA's BAA

The WAPA EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The WAPA EIM Entity has made the following determinations:

(a) Eligibility requirements: Eligibility requirements are set forth in Section 4 of Attachment T.

(b) Load Aggregation Points (LAP): There shall be one LAP for WAPA's BAA.

(c) MO load forecast: The WAPA EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(d) MO metering agreements: The WAPA EIM Entity and all Transmission Customers with WAPA EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with the MO Tariff. The WAPA EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission

Customers with Non-Participating Resources in accordance with the MO Tariff.

5.1.1.4 WAPA EIM Entity Business Practices

The WAPA EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the WAPA EIM Entity's business practices that shall be posted on the WAPA EIM Entity's OASIS.

5.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM

The WAPA EIM Entity may take corrective actions in WAPA's BAA in accordance with the requirements of Section 11.3 of Attachment T. In addition, the WAPA EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements and by making a filing with the Commission to revise this Tariff. In the event the WAPA EIM Entity terminates its participation in EIM, there will be no further service under this Attachment T.

5.1.2 Responsibilities of the WAPA EIM Entity to Provide Required Information

5.1.2.1 Provide Modeling Data to the MO

The WAPA EIM Entity shall provide the MO information associated with transmission facilities within WAPA's BAA, including, but not limited to, network constraints and associated limits that must be observed in WAPA's BAA network and interties with other BAAs.

5.1.2.2 Registration

The WAPA EIM Entity shall register all Non-Participating Resources with the MO consistent with the WAPA EIM Entity's business practices. The WAPA EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The WAPA EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 5.2.1.2 of this Attachment T.

5.1.3 Day-to-Day EIM Operations

5.1.3.1 Submission of Transmission Customer Base Schedule,

## Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The WAPA EIM Entity is responsible for providing the data required by the MO in accordance with the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

### 5.1.3.2 Communication of Manual Dispatch Information

The WAPA EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with the MO Tariff.

### 5.1.3.3 Confirmation

The MO shall calculate, and the WAPA EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, the WAPA EIM Entity shall specify in its business practices the applicable time frame necessary to remain compliant.

### 5.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the WAPA EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Target for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the WAPA EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

### 5.1.4 Provision of Meter Data

The WAPA EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

### 5.1.5 Settlement of MO Charges and Payments

The WAPA EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the WAPA EIM Entity. The WAPA EIM Entity may sub-allocate EIM charges and payments to various entities including Transmission Customers in accordance with Section 9 of this Attachment T, as applicable.

#### 5.1.6 Dispute Resolution

The WAPA EIM Entity shall manage dispute resolution with the MO for the WAPA EIM Entity settlement statements consistent with the MO Tariff, Section 12 of this Tariff, and the WAPA EIM Entity's business practices. Transmission Customers with WAPA EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

To the extent a dispute arises between the WAPA EIM Entity and a Transmission Customer or Interconnection Customer regarding the WAPA EIM Entity's allocation of EIM related charges, the parties shall follow the dispute resolution procedures in Sections 12 of this Tariff and applicable WAPA EIM Entity business practices.

### 5.2 Transmission Customer Responsibilities

All Transmission Customers must comply with the applicable requirements of the MO Tariff, this Tariff, and any business practices and operating procedures developed by the MO and WAPA EIM Entity.

The following Transmission Customers must also comply with the information requirements of this section: (1) Transmission Customers with a WAPA EIM Participating Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within WAPA's BAA; and (4) subject to the limitations identified in Section 5.2.4.5.1 of this Attachment T, Transmission Customers wheeling through WAPA's BAA. This section should be read in conjunction with the WAPA EIM Entity's business practices.

#### 5.2.1 Initial Registration Data

##### 5.2.1.1 Transmission Customers with a WAPA EIM Participating Resource

A Transmission Customer with a WAPA EIM Participating Resource shall provide the WAPA EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by the MO Tariff.



#### 5.2.1.2 Transmission Customers with Non-Participating Resources

A Transmission Customer with Non-Participating Resources shall provide the WAPA EIM Entity with data necessary to meet the requirements established by the MO as required by the MO Tariff.

#### 5.2.2 Responsibility to Update Required Data

##### 5.2.2.1 Transmission Customers with a WAPA EIM Participating Resource

Each Transmission Customer with a WAPA EIM Participating Resource has an ongoing obligation to inform the MO and WAPA EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 5.2.1 of this Attachment T that reflects changes in operating characteristics as required by the MO Tariff.

##### 5.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the WAPA EIM Entity of any changes to any of the information submitted by the Transmission Customer with a Non-Participating Resource provided under Section 5.2.1 of this Attachment T.

#### 5.2.3 Outages

Transmission Customers with WAPA EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 8 of this Attachment T and the WAPA EIM Entity's business practices.

#### 5.2.4 Submission of Transmission Customer Base Schedule

Every Transmission Customer (including Transmission Customers which do not have any resources or load within WAPA's BAA) shall submit the Transmission Customer Base Schedule to the WAPA EIM Entity. This submission must include Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within WAPA's BAA, submission of the Transmission Customer Base Schedule shall balance to the Transmission Customer's anticipated actual generation within WAPA's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the WAPA EIM Entity as required in Section 5.2.4.5 of this Attachment T and the WAPA EIM Entity's business practices.



#### 5.2.4.1 Transmission Customers with a WAPA EIM Participating Resource or Non-Participating Resource in the WAPA BAA

A Transmission Customer with a WAPA EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

- (a) resources located in WAPA's BAA that are less than three (3) MW; or
- (b) behind-the-meter generation which is not contained in the MO's network model.

Each WAPA EIM Participating Resource Scheduling Coordinator shall provide to the WAPA EIM Entity:

- (a) the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM; and
- (b) Dispatch Operating Target data of the respective resources it represents that are participating in the EIM.

#### 5.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources

##### 5.2.4.2.1 Resource Forecasts

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes.

##### 5.2.4.2.2 Method of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 5.2.4.2

using any one of the following methods:

(a) The Transmission Customer may elect to use the WAPA EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within WAPA's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement consistent with the WAPA EIM Entity's business practices;

(b) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the WAPA EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement consistent with the WAPA EIM Entity's business practices; or

(c) Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement consistent with the WAPA EIM Entity's business practices.

#### 5.2.4.2.3 Timing of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the date WAPA joins the EIM or (2) the date the Non-Participating Resource interconnects to WAPA's BAA. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the WAPA EIM Entity.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects the method specified in Section 5.2.4.2.2(b) of this Attachment T, and such Transmission Customer fails to submit resource Forecast Data for any time interval as

required by this Section 5.2.4.2, the WAPA EIM Entity shall apply the applicable settlement method set forth in the WAPA EIM Entity's business practices.

#### 5.2.4.3 Transmission Customers with Load

As set forth in Sections 5.2.4 of this Attachment T, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. The WAPA EIM Entity's settlement of Energy Imbalance Service shall be consistent with the WAPA EIM Entity's business practices.

#### 5.2.4.4 Transmission Customers Without Resources or Load in WAPA's BAA

A Transmission Customer which does not have any resources or load within WAPA's BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the WAPA EIM Entity.

#### 5.2.4.5 Timing of Transmission Customer Base Schedules Submission

##### 5.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources or Load in the WAPA BAA

Transmission Customers with resources or load in the WAPA BAA shall submit their initial Transmission Customer Base Schedules seven (7) days prior to each Operating Day ("T - 7 days").

Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

##### 5.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules consistent with the requirements of the MO Tariff and WAPA EIM Entity's business practices.

### 5.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer's applicable interconnection requirements. To the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the WAPA EIM Entity to comply with Section 5.1.4 of this Attachment T.

## 6. Transmission Operations

### 6.1 Provision of Information Regarding Real-Time Status of the WAPA EIM Entity's Transmission System

The WAPA EIM Entity shall provide the MO information on the following:

- (1) real time data for the Transmission System and interties; and
- (2) any changes to transmission capacity and the Transmission System due to operational circumstances.

### 6.2 [Saved for future provision]

### 6.3 Provision of EIM Transfer Capability by the WAPA EIM Entity

The WAPA EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability (ATC). The provision of EIM Transfer capacity corresponding to ATC shall be implemented consistent with the requirements of the MO Tariff and WAPA EIM Entity's business practices. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

## 7. System Operations Under Normal and Emergency Conditions

### 7.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the WAPA EIM Entity operates its Transmission System consistent with applicable reliability standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the WAPA EIM Entity, Transmission Customers with WAPA EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply

with applicable reliability standards.

The WAPA EIM Entity shall remain responsible for:

- (a) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;
- (b) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within WAPA's BAA;
- (c) processing e-Tags and managing schedule curtailments at the interties; and
- (d) monitoring and managing real-time flows within system operating limits on all transmission facilities within WAPA's BAA, including facilities of WAPA BAA Transmission Owners. If requested by a Transmission Customer that is also a WAPA BAA Transmission Owner, the WAPA EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of a WAPA BAA Transmission Owner.

## 7.2 Good Utility Practice

The WAPA EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with WAPA EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment T.

## 7.3 Management of Contingencies and Emergencies

### 7.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with the MO Tariff, the WAPA EIM Entity shall, in accordance with the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

### 7.3.2 Manual Dispatch

The WAPA EIM Entity may issue a Manual Dispatch order to a Transmission Customer with a WAPA EIM Participating Resource or a Non-Participating Resource in WAPA's BAA, to address reliability or operational issues in WAPA's BAA that the EIM is not able to address through normal economic dispatch and congestion management. The WAPA EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

## 8. Outages

## 8.1 WAPA EIM Entity Transmission Outages

### 8.1.1 Planned Transmission Outages and Known Derates

The WAPA EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with the MO Tariff. The WAPA EIM Entity shall update the submittal if there are changes to the transmission outage plan.

### 8.1.2 Unplanned Transmission Outages

The WAPA EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with the MO Tariff.

## 8.2 WAPA BAA Transmission Owner Outages

Transmission Customers that are also WAPA BAA Transmission Owners shall provide the WAPA EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the WAPA EIM Entity.

The WAPA EIM Entity shall communicate information regarding planned and unplanned outages of WAPA BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the WAPA BAA Transmission Owner.

## 8.3 WAPA EIM Participating Resource Outages

### 8.3.1 Planned WAPA EIM Participating Resource Outages and Known Derates

WAPA EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the WAPA EIM Entity. Planned outages and known derates shall be reported to the WAPA EIM Entity seven (7) or more days in advance and preferably at least thirty (30) days in advance of the outage or known derate. The WAPA EIM Entity shall then submit this outage information to the MO's outage management system in accordance with the MO Tariff. WAPA EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

### 8.3.2 Unplanned WAPA EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under the MO Tariff, the WAPA EIM Participating Resource Scheduling Coordinator is responsible for notifying the WAPA EIM Entity of required changes. The WAPA EIM Entity shall then submit this information to the MO's outage management system. Changes in availability of 10 MW or 5% of Pmax (whichever is greater)

lasting 15 minutes or longer must be reported to the WAPA EIM Entity. The WAPA EIM Entity shall then submit this information to the MO's outage management system.

#### 8.4 Outages of Transmission Customers with Non-Participating Resources

##### 8.4.1 Planned Outages and Known Derates of Transmission Customers with Non-Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the WAPA EIM Entity. The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan. The WAPA EIM Entity shall submit planned resource outages and known derates of Non-Participating Resources to the MO's outage management system in accordance with the MO Tariff.

##### 8.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with Non-Participating Resources

Unplanned outages of resources of a Transmission Customer with Non-Participating Resources shall be reported to the WAPA EIM Entity. In the event of a forced outage required to be reported under the MO Tariff, the WAPA EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting 15 minutes or longer must be reported to the WAPA EIM Entity. The WAPA EIM Entity shall then submit this information to the MO's outage management system.

#### 9. EIM Settlements and Billing

The WAPA EIM Entity's business practices shall include information on the specific charges applicable to EIM settlements, including those that may be incurred by the WAPA EIM Entity. For EIM settlements incurred by the WAPA EIM Entity, the WAPA EIM Entity shall settle EIM related charges through the schedules promulgated in the addendums of this Attachment T.

The WAPA EIM Entity shall also develop and maintain business practices detailing the settlement allocation practices associated with EIM charges, as details of such settlement allocation practices are subject to evolution based on the settlement decisions and practices of the WAPA EIM Entity. The WAPA EIM Entity's business practices for EIM settlements shall be posted on the WAPA EIM Entity's OASIS, and revisions to those business practices shall be managed through the WAPA EIM Entity's OASIS process.



## 9.1 EIM Transmission Charges

### 9.1.1 EIM Transmission Service

Unless subsequently imposed by the MO as part of the MO Tariff and promulgated by WAPA through rate proceedings, there shall be no incremental transmission charge assessed for transmission use related to the EIM. Transmission Customers must have transmission service rights, as provided in Section 4 of this Attachment T.

### 9.1.2 EIM Unreserved Use

WAPA EIM Participating Resources will not incur unreserved use charges solely as the result of EIM Dispatch Instruction. For uses that exceed the EIM Dispatch Instruction, the WAPA EIM Entity will assess unreserved use in accordance with the WAPA EIM Entity's business practices and settle such charges under Schedule 10 of this Tariff.

### 9.1.3 EIM Transmission Losses

Transmission Customers shall be assessed real power losses against the Transmission Customer Base Schedule as a product of the applicable loss factors provided in Sections 15.7 and 28.5 of this Tariff, and in accordance with the WAPA EIM Entity's business practices.

Settlement of real power losses associated with EIM Energy Imbalance Service shall be pursuant to Schedule 4T of this Tariff, and settlement of Real Power Losses associated with EIM Generator Imbalance Service shall be pursuant to Schedule 9T of the Tariff.

## 9.2 EIM Administrative Service

The WAPA EIM Entity shall settle EIM administrative service charges with Transmission Customers through Schedule 1T of the Tariff. This settlement recovers the administrative costs for participation in the EIM by the WAPA EIM Entity, including but not limited to such administrative charges as may be incurred by the WAPA EIM Entity from the MO.

## 9.3 EIM Energy Imbalance Service

Notwithstanding the provisions of Section 3.4 of this Tariff, the rates and/or methodology related to Energy Imbalance Service when the WAPA EIM Entity is participating in the EIM are described in Schedule 4T of this Tariff. Otherwise, such rates and/or methodology related to Energy Imbalance Service are described in Section 3.4 of the Tariff.

Energy Imbalance Service settlements incurred by the WAPA EIM Entity during EIM participation shall be settled with Transmission Customers through Schedule 4T of this Tariff. Charges may include:

- (a) Uninstructed Imbalance Energy (UIE)
- (b) Under-Scheduling Load
- (c) Over-Scheduling Load
- (d) Distribution of Under-Scheduling and Over-Scheduling Proceeds

#### 9.4 EIM Generator Imbalance Service

Notwithstanding the provisions of Section 3.7 of this Tariff, the rates and/or methodology related to Generator Imbalance Service when the WAPA EIM Entity is participating in the EIM are described in Schedule 9T of this Tariff. Otherwise, such rates and/or methodology related to Generator Imbalance Service are described in Section 3.7 of the Tariff.

Generator Imbalance Service settlements incurred by the WAPA EIM Entity during EIM participation shall be settled with Transmission Customers through Schedule 9T of this Tariff. Charges may include:

- (a) Instructed Imbalance Energy (IIE)
- (b) Uninstructed Imbalance Energy (UIE)

#### 9.5 Other EIM Settlements

All additional EIM related settlements incurred by the WAPA EIM Entity shall be allocated to Transmission Customers in accordance with the WAPA EIM Entity's business practices as posted on the WAPA EIM Entity's OASIS. Such charges may include:

- (a) Unaccounted for Energy (UFE)
- (b) EIM Uplifts
- (c) Allocation of Operative Reserves

#### 9.6 MO Tax Liabilities

Any charges to the WAPA EIM Entity pursuant to the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission

Customers triggering the tax liability.

#### 9.7 EIM Payment Calendar

The WAPA EIM Entity will follow the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The WAPA EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM.

#### 9.8 Market Validation and Price Correction

If the MO modifies the WAPA EIM Entity's EIM settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the WAPA EIM Entity may make corresponding or similar changes to the charges and payments sub-allocated under this Attachment T.

### 10. Compliance

#### 10.1 Provision of Data

Transmission Customers with WAPA EIM Participating Resources and WAPA EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with WAPA EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the WAPA EIM Entity with all data necessary to respond to information requests received by the WAPA EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the WAPA EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the WAPA EIM Entity may disclose such information; provided, however, that upon the WAPA EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the WAPA EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The WAPA EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The WAPA EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the WAPA EIM Entity is otherwise allowed or required to disclose. The WAPA EIM Entity shall continue to abide by the Commission's Standards of Conduct and

handle customer information accordingly.

## 10.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

- (a) Comply with Dispatch Instructions and WAPA EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the WAPA EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the WAPA EIM Entity;
- (b) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;
- (c) Notify the MO and/or the WAPA EIM Entity, as applicable, of outages in accordance with Section 8 of this Attachment T;
- (d) Provide complete, accurate, and timely meter data to the WAPA EIM Entity in accordance with the metering and communication requirements of this Tariff, and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the WAPA EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;
- (e) Provide information to the WAPA EIM Entity, including the information requested in Sections 5.2.1, 5.2.2, 5.2.3, 5.2.4 and 10.1 of this Attachment T, by the applicable deadlines; and
- (f) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the WAPA EIM Entity.

## 10.3 Enforcement

The WAPA EIM Entity may refer a violation of Section 10.2 of this Attachment T to the appropriate Federal agencies (including FERC, the Department of Energy or the Department of Justice) or the MO. Violations of these rules of conduct may be enforced by the MO or appropriate Federal agencies in accordance with their rules and

procedures. Nothing in this Section 10 is meant to limit any other remedy before FERC or any applicable judicial, governmental, or administrative body.

## 11. Market Contingencies

### 11.1 Temporary Suspension by the MO

In the event that the MO implements a temporary suspension in accordance with the MO Tariff, the WAPA EIM Entity shall utilize Schedules 4 and 9, and Sections 15.7 and 28.5 of WAPA's Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the WAPA EIM Entity's participation in the EIM in accordance the MO Tariff.

Any EIM related service charges that continue to be incurred by the WAPA EIM Entity during temporary suspension, as provided by the WAPA EIM Entity's business practices, shall be settled in accordance with the applicable schedules promulgated in the addendums of this Attachment T.

### 11.2 Termination of Participation in EIM by the WAPA EIM Entity

If the WAPA EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 5.1.1.5 of this Attachment T, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the WAPA EIM Entity may invoke the following corrective actions by requesting that the MO:

- (a) prevent EIM Transfers and separate the WAPA EIM Entity's BAA from operation of the EIM in the EIM Area; and
- (b) suspend settlement of EIM charges with respect to the WAPA EIM Entity.

Once such corrective actions are implemented by the MO, the WAPA EIM Entity shall utilize Schedules 4 and 9 and Sections 15.7 and 28.5 of WAPA's Tariff. If the WAPA EIM Entity takes action under this Section 11.2, the WAPA EIM Entity shall notify the MO and Transmission Customers.

### 11.3 Corrective Actions Taken by the WAPA EIM Entity for Temporary Contingencies

The WAPA EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment:

- (a) operational circumstances (including a failure of the EIM to produce feasible results in WAPA's BAA) have caused or are in danger of causing an abnormal system condition in WAPA's BAA that requires immediate action to prevent loss

of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or

(b) communications between the MO and the WAPA EIM Entity are disrupted and prevent the WAPA EIM Entity, the WAPA EIM Entity Scheduling Coordinator, or a WAPA EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

If either of the above temporary contingencies occurs, the WAPA EIM Entity may invoke the following corrective actions by requesting that the MO:

(a) prevent EIM Transfers and separate the WAPA EIM Entity's BAA from operation of the EIM in the EIM Area; and/or

(b) suspend settlement of EIM charges with respect to the WAPA EIM Entity. When such suspension is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the WAPA EIM Entity shall utilize Schedules 4 and 9 and Sections 15.7 and 28.5 of WAPA's Tariff.

If the WAPA EIM Entity takes action under this Section 11.3, the WAPA EIM Entity shall notify the MO and Transmission Customers. The WAPA EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

## **Addendum 1 to Attachment T**

### **SCHEDULE 1T EIM Administrative Service**

This Schedule 1T shall apply when WAPA DSR, as WAPA EIM Entity, is participating in the EIM and when the EIM has not been suspended. Schedule 1T shall apply in addition to Schedule 1 of this Tariff. To the extent the WAPA EIM Entity incurs EIM Administrative Service related charges during periods of market suspension or contingency, as described in Section 11 of Attachment T of this Tariff, this Schedule 1T shall also apply to ensure the WAPA EIM Entity remains revenue neutral for its participation in the EIM.

This service recovers the administrative costs for participation in the EIM by the WAPA EIM Entity, including but not limited to such administrative charges as may be incurred by the WAPA EIM Entity from the MO. All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the WAPA EIM Entity shall be required to acquire EIM Administrative Service from the WAPA EIM Entity.

The specific charges for EIM Administrative Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The WAPA EIM Entity may modify the charges under the Schedule upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The WAPA EIM Entity shall charge the Transmission Customer in accordance with the rate then in effect.



## **Addendum 2 to Attachment T**

### **SCHEDULE 4T EIM Energy Imbalance Service**

This Schedule 4T shall apply when WAPA DSR, as WAPA EIM Entity, is participating in the EIM and when the EIM has not been suspended. In accordance with Section 11 of Attachment T of this Tariff, Schedule 4 of this Tariff shall apply when the WAPA EIM Entity is not participating in the EIM or when the EIM has been suspended. To the extent the WAPA EIM Entity incurs EIM Energy Imbalance Service related charges during periods of market suspension or contingency, as described in Section 11 of Attachment T of this Tariff, this Schedule 4T shall also apply to ensure the WAPA EIM Entity remains revenue neutral for its participation in the EIM.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the WAPA EIM Entity's BAA. The WAPA EIM Entity must offer this service when transmission service is used to serve load within its BAA. The Transmission Customer must either purchase this service from the WAPA EIM Entity or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation.

A Transmission Customer shall be charged or paid for Energy Imbalance Service charges allocated to the WAPA EIM Entity for its participation in the EIM, in accordance with the specific methodology for cost assessment set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges and payments for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The WAPA EIM Entity may modify the compensation for this service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The WAPA EIM Entity shall charge the Transmission Customer in accordance with the rate then in effect.

## **Addendum 3 to Attachment T**

### **SCHEDULE 9T EIM Generator Imbalance Service**

This Schedule 9T shall apply when WAPA DSR, as WAPA EIM Entity, is participating in the EIM and when the EIM has not been suspended. In accordance with Section 11 of Attachment T of this Tariff, Schedule 9 of this Tariff shall apply when the WAPA EIM Entity is not participating in the EIM and when the EIM has been suspended. To the extent the WAPA EIM Entity incurs EIM Generator Imbalance Service related charges during periods of market suspension or contingency, as described in Section 11 of Attachment T of this Tariff, this Schedule 9T shall also apply to ensure the WAPA EIM Entity remains revenue neutral for its participation in the EIM.

Generally, Generator Imbalance Service is provided when a difference occurs between the output of a generator that is not an EIM Participating Resource located in the WAPA EIM Entity's BAA, as reflected in the resource component of the Transmission Customer Base Schedule, and the delivery schedule from that generator to (1) another BAA or (2) a load within the WAPA EIM Entity's BAA. The WAPA EIM Entity must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when its transmission service is used to deliver energy from a generator located within its BAA. The Transmission Customer must either purchase this service from the WAPA EIM Entity or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation.

A Transmission Customer shall be charged or paid for Generator Imbalance Service charges allocated to the WAPA EIM Entity for its participation in the EIM, in accordance with the specific methodology for cost assessment set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. Such charges may include those due to operational adjustments of any affected Interchange. The rates or rate methodology used to calculate the charges and payments for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations and policies.

The WAPA EIM Entity may modify the compensation for this service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for this service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations and policies and distributed to the Transmission Customer to become attached to and made part of the applicable Service Agreement. The WAPA EIM Entity shall charge the Transmission Customer in accordance with the rate then in effect.

**Applicability to Interconnection Customers:** To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the WAPA EIM Entity's BAA, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9T.